

2001

**JOINT
APPROPRIATIONS
SUBCOMMITTEE ON
TRANSPORTATION**

MINUTES

**JOINT APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION**

2001-2002 SESSION

CO-CHAIRS

**REPRESENTATIVE NELSON COLE
REPRESENTATIVE JIM CRAWFORD
SENATOR WIB GULLEY**

VICE-CHAIR

**REPRESENTATIVE JOANNE BOWIE
SENATOR LARRY SHAW**

STAFF

**WENDY GRAF
KEN LEVENBOOK
GILES PERRY
EVAN RODEWALD
BOB WEISS**

COMMITTEE ASSISTANTS

**CAROL RESAR
SUZANNE SMITH
LINDA WINSTEAD**

HOUSE AND SENATE APPROPRIATIONS
SUBCOMMITTEE MEETING INDEX

The following meetings were held jointly:

February 27, 2001
February 28, 2001
March 1, 2001
March 6, 2001
March 7, 2001
March 15, 2001
March 21, 2001
March 22, 2001
March 27, 2001
March 28, 2001
March 29, 2001
April 3, 2001
April 4, 2001
April 5, 2001
April 10, 2001
April 11, 2001
April 12, 2001
April 16, 2001
April 17, 2001
April 18, 2001
April 19, 2001
May 1, 2001
May 2, 2001

The following meetings were held with House members only:

June 6, 2001
June 7, 2001
June 12, 2001
June 13, 2001
June 14, 2001 House Bill 43, HB 1229, HB 1245, HB 1273 and HB 1393 were discussed
June 22, 2001
August 28, 2001 House Bill 644 was discussed

The following meeting was held with Senate members only:

May 24, 2001

SENATE APPROPRIATIONS SUBCOMMITTEE
ON TRANSPORTATION
MEMBERSHIP

Senator Wib Gulley, Chair
Room 408 LOB
5-3036

Senator Larry Shaw, Vice-Chair
Room 621 LOB
3-9349

Senator Bob Carpenter, Ranking Minority
Room 517 LOB
3-5875

Senator Phil Berger
Room 1414 LB
3-7659

Senator David Hoyle
Room 300-A LOB
3-5734

Senator Dan Robinson
Room 2113 LB
3-5880

Senator Bob Rucho
Room 1113 LB
3-5650

Fiscal Staff

Evan Rodewald
3-4910

Bob Weiss
3-4910

Research Staff

Giles Perry
3-2578

Bill Drafting Staff

Ken Levenbook
3-6660

Committee Clerk

Carol Resar
5-3036

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
2001 - 2002 SESSION**

MEMBER	ASSISTANT	PHONE	OFFICE
COLE, Nelson, Co-Chair	Suzanne Smith	733-5779	1218
CRAWFORD, Jim, Co-Chair	Linda Winstead	733-5824	1301
BOWIE, Joanne-Vice-Chair	Sharon Gaudette	733-5877	538
BARBEE, Bobby	Rosa Murray	733-5908	1025
BLUE, Dan	Lin Threatt	715-2528	1227
COATES, Lorene	Melissa Lennon	733-5784	633
DAVIS, Don	Ellen Pickett	715-6707	504
DOCKHAM, Jerry	Susanne Streb	733-5822	1106
GULLEY, Jim	Lucille Carter	733-5860	1307
HIATT, Bill	Edna Pearce	733-5862	1008
McALLISTER, Mary	Marilyn Suitt	733-5959	638
SAUNDERS, Drew	Ruth Fish	733-5606	2217
SUTTON, Ronnie	Juanita Coley	715-0875	1321

STAFF

Wendy Graf	733-2578	545
Giles Perry	733-2578	545
Evan Rodewald	733-4910	619
Bob Weiss	733-4910	619

**APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE
2001-2002 Session**



**Rep. Nelson Cole
Co-Chair**



**Rep. Jim Crawford
Co-Chair**



**Rep. Joanne Bowie
Vice-Chair**



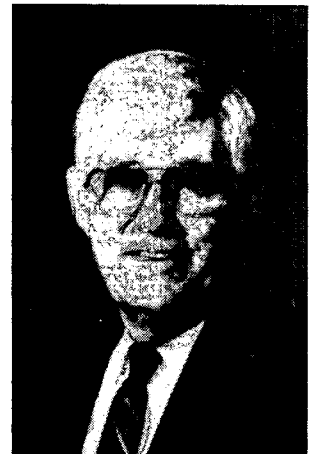
Rep. Bobby Barbee



Rep. Dan Blue



Rep. Lorene Coates



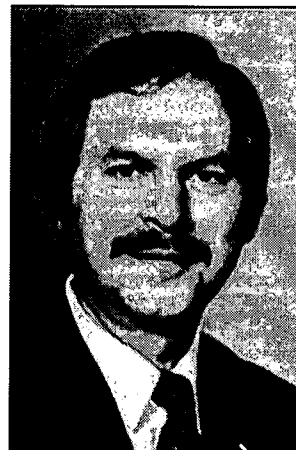
Rep. Don Davis



Rep. Jerry Dockham



Rep. Jim Gulley



Rep. Bill Hiatt



Rep. Mary McAllister



Rep. Drew Saunders



Rep. Ronnie Sutton

ATTENDANCE

APPROPRIATIONS Subcommittee on Transportation 2001-2001 Session

SEN

DATES	2/27/01	2/28/01	3/15/01	3/22/01	3/28/01	4/3/01	4/15/01	4/11/01	4/16/01	4/19/01	5/1/01	5/24/01		
Cole, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Crawford, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Bowie, Vice-Chair	✓	✓	✓	✓	✓	✓	✓	✓	EX ABS	✓	✓			
Barbee	✓	✓	✓	✓	✓					✓		✓		
Blue	✓	✓	✓		✓		✓	✓						
Coates	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			
Davis	✓	✓	✓	✓		✓	✓	✓	✓	✓				
Dockham	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Gulley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Hiatt												✓		
McAllister		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Saunders	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓			
Sutton	✓	✓	✓	✓	✓			✓	✓	✓	✓			
Ex Officio Members:														
Hackney, Speaker Pro Tem														
Baddour, Majority Leader							✓							
Dedmon, Majority Whip														
Earle, Majority Whip														
Cunningham														

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

February 27, 2001

9:00am

Room 1228LB

Chairs

Senator Wib Gulley, *presiding*

Representative Joanne Bowie

Representative Nelson Cole

Representative Jim Crawford

Introduction and Remarks by Chairs

Remarks

Lyndo Tippet, Secretary of Transportation

Overview of the Highway Fund and Highway Trust Fund

Evan Rodewald, Committee Staff

Report of the Transportation Finance Committee

Rep. Cole and Sen. Gulley

Joint Appropriations Subcommittee on Transportation
Tuesday, February 27, 2001
9:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Tuesday, February 27, 2001 in Room 1228 of the Legislative Building. Five Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Barbee, Blue, Coates, Davis, Dockham, Gulley, Saunders and Sutton. Senator Wib Gulley presided.

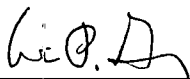
Representative Crawford opened the meeting and asked all the members of the Committee to introduce themselves. Next, Representative Crawford asked the Secretary of the Department of Transportation (DOT), Lyndo Tippet, to make introductory remarks. Secretary Tippet told the Committee that DOT's agenda was set in hopes of fulfilling Governor Easley's vision for a transportation network unequalled in the country.

After Secretary Tippet's remarks, Representative Blue stated that he hoped that DOT would keep in mind the recommendations that were made by the Smart Growth Study Commission when looking at transportation programs.

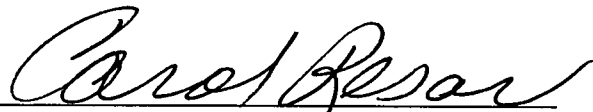
Next, Senator Gulley asked Evan Rodewald, Fiscal Analyst, to give the Committee an overview of the Highway Fund and the Highway Trust Fund (see Handout #1). Among other items, Evan pointed out the differences between the Highway Fund and the Highway Trust Fund. (page 5); the revenue sources and appropriations (page 7); and the road maintenance funding (page 9).

After Evan's presentation, a few of the Committee members made comments on the handout. Representative Blue stated it was important to get road maintenance funding up to the necessary level. Representative Dockham asked staff if North Carolina had the highest motor fuel tax and Bob Weiss, Fiscal Analyst replied that North Carolina was 10th nationally, but highest in the Southeast.

The meeting was adjourned at 10:00 am.



Senator Gulley, Cochair



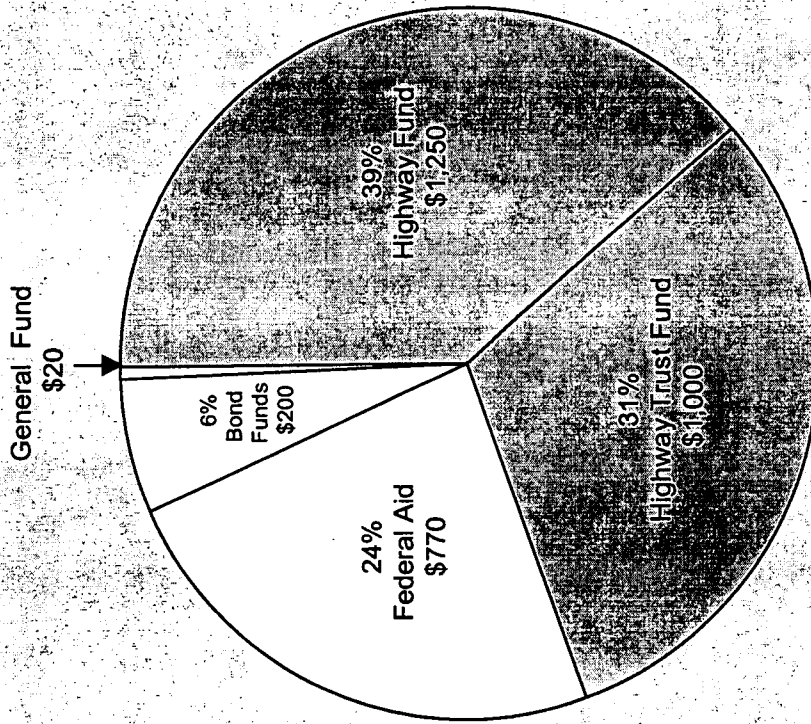
Carol Resar, Committee Clerk

STATE TRANSPORTATION FUNDING

State Transportation Funding

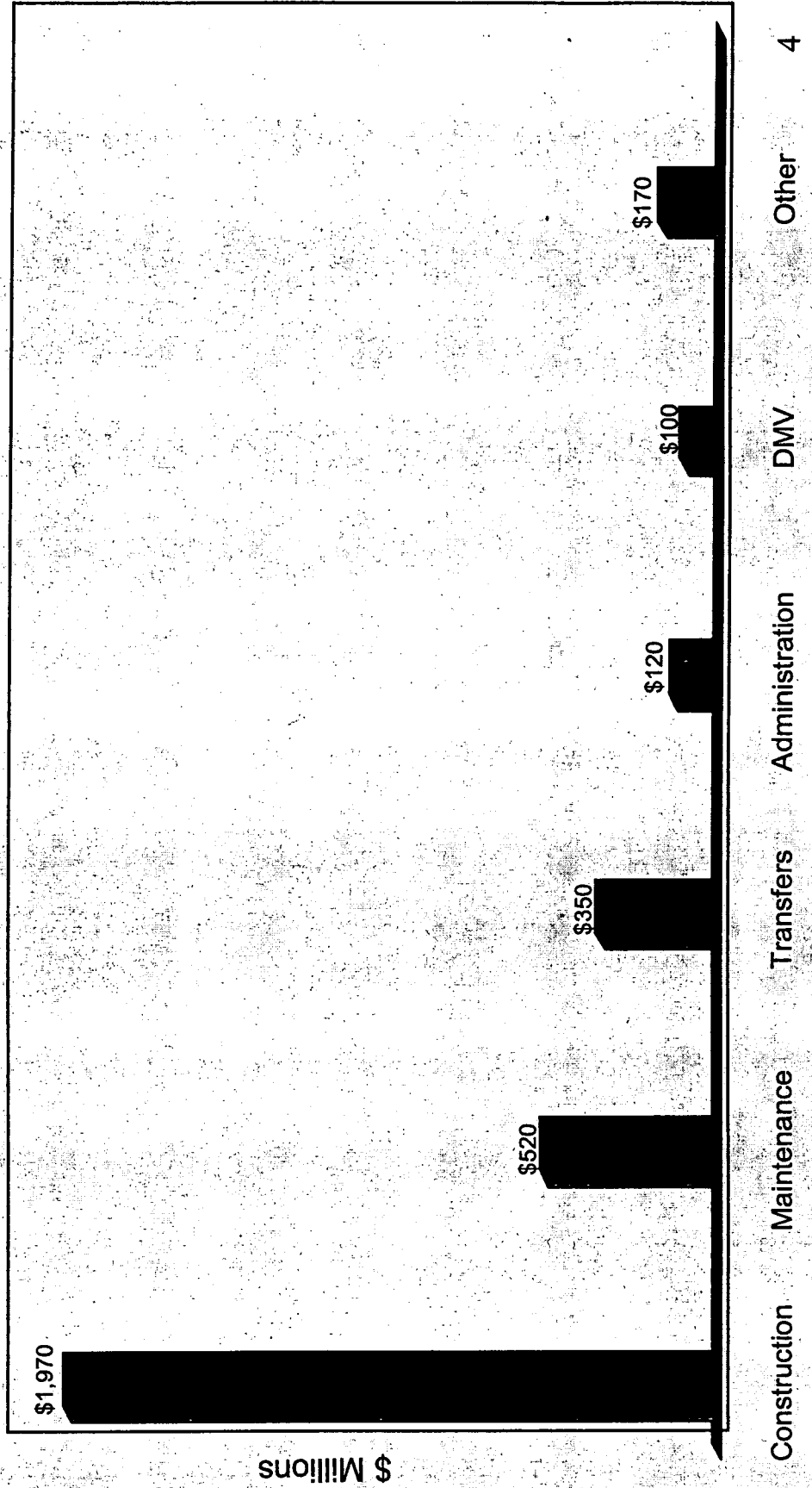
- Sources of Transportation Funds
- Uses of Transportation Funds
- Overview of Highway Fund and Highway Trust Fund

2000-2001 FUNDING SOURCES FOR DEPARTMENT OF TRANSPORTATION (\$ MILLIONS)



Total: \$3.2 Billion

**2000-2001 USES OF FUNDS FROM ALL
SOURCES (TOTAL = \$3.2 BILLION)**



**DIFFERENCES BETWEEN HIGHWAY FUND
AND
HIGHWAY TRUST FUND (RULES OF THUMB)**

Major State Revenue
Source

Biggest Program

Method of Allocation

Highway Fund

Motor Fuels Taxes ("Gas Tax")
Maintenance
Appropriations Process

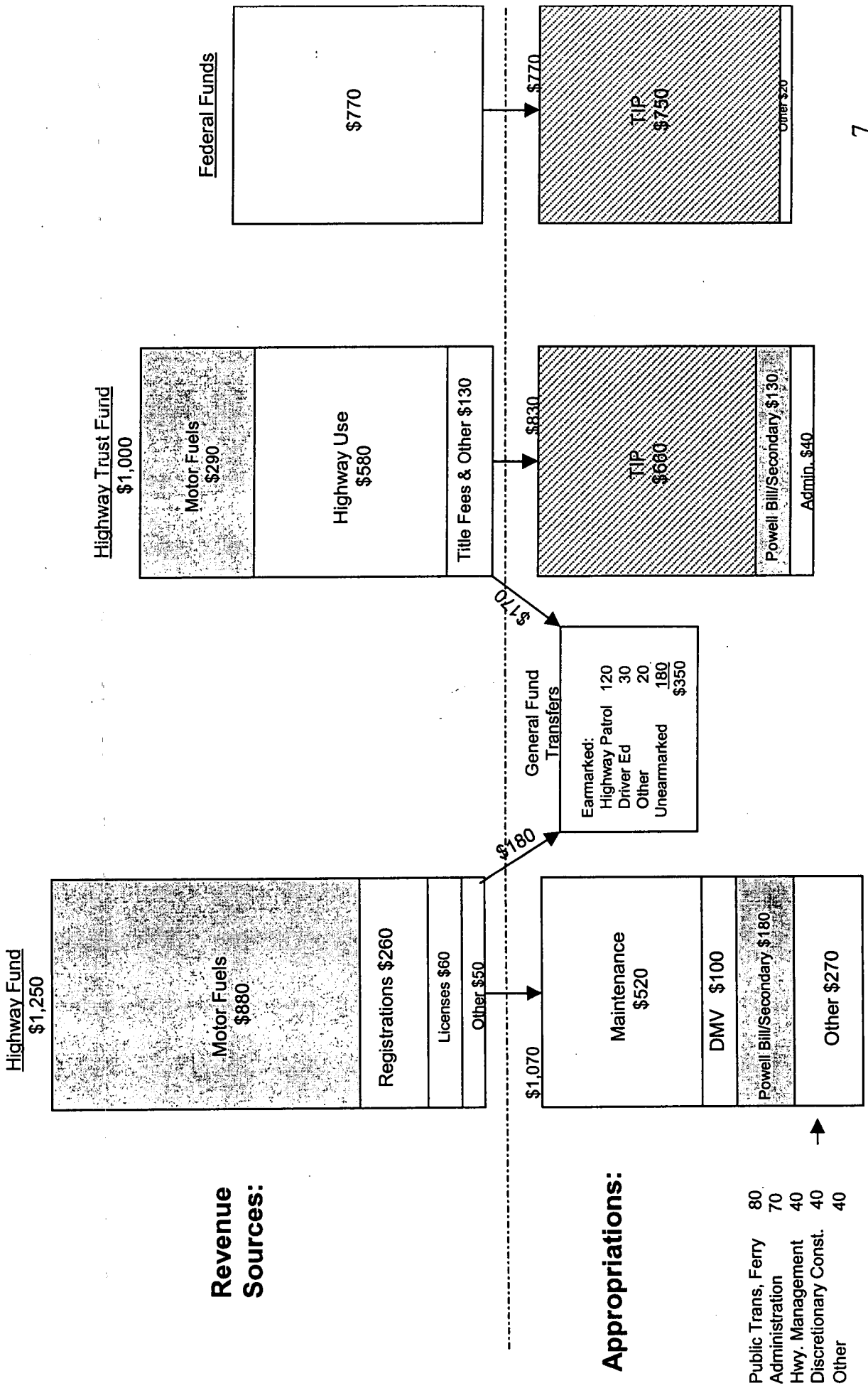
Highway Trust Fund

Highway Use Tax (3% on Motor Vehicles)
Construction
Formulas in Statutes (G.S. 136-176)

**REVENUE GROWTH IN HIGHWAY FUND, HIGHWAY
TRUST FUND, FEDERAL AID AND GENERAL FUND**

<u>Change</u>	Revenues (\$ Millions)		<u>%</u>
	<u>1990-91</u>	<u>1999-00</u>	
Highway Fund	903	1,165	+29%
Highway Trust Fund	514	937	+82%
Federal Aid (budgeted)	<u>301</u>	<u>760</u>	<u>+152%</u>
Total	1,718	2,862	67%
General Fund	7,283	12,852	+76%

HIGHWAY FUND, HIGHWAY TRUST FUND AND FEDERAL FUNDS (\$ MILLIONS, 2000-2001)



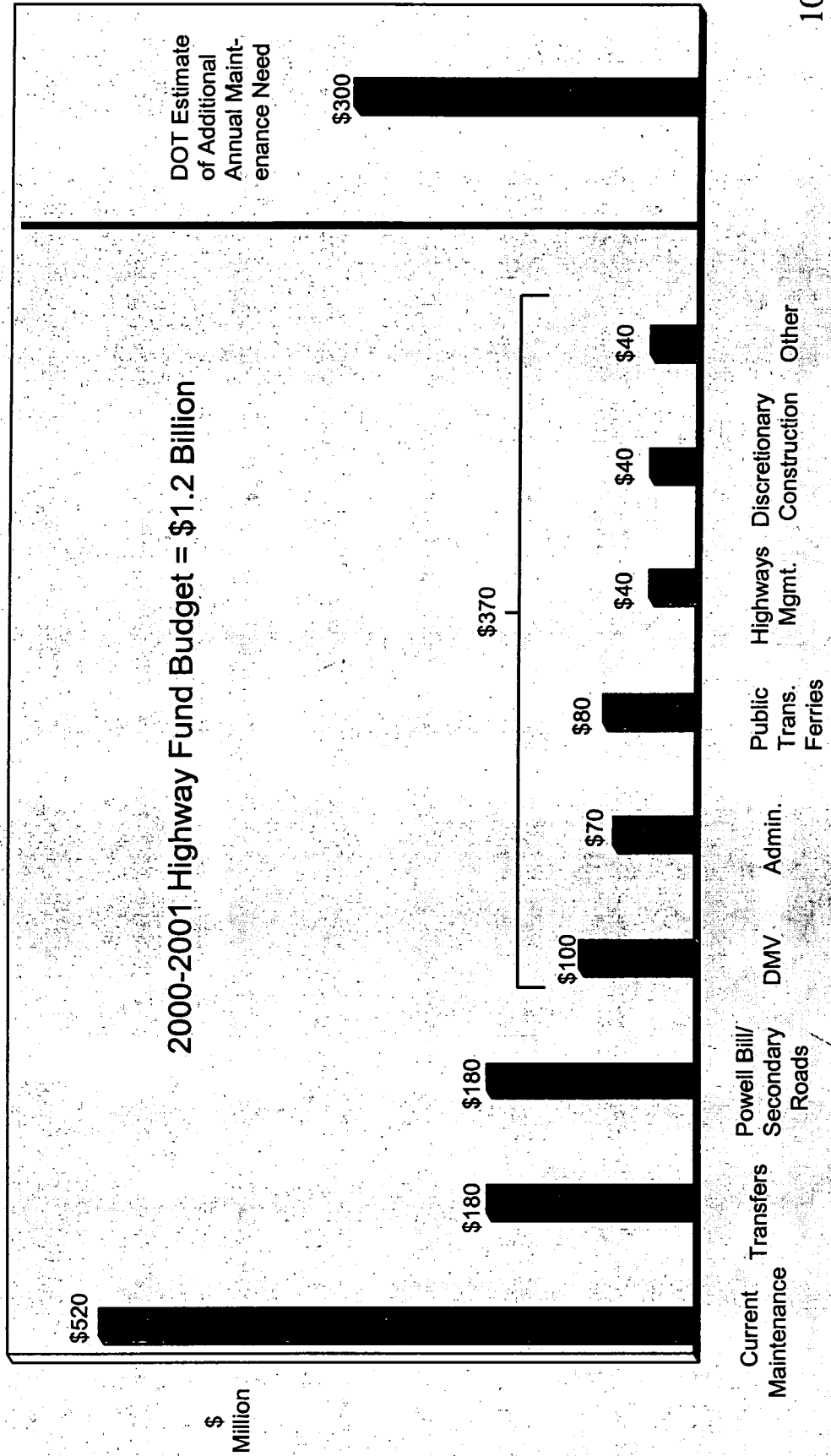
**HIGHWAY TRUST FUND ALLOCATION FORMULA
IN G.S. 136-176 (2000-2001 BUDGET)**

- \$15 of each certificate of title application fee → \$35,499,857 for Secondary Roads
- 4.5% of remaining revenue → \$34,247,886 for Administration
- Balance is allocated as follows:
 - 61.95% → \$468,213,303 for Intrastate Projects (TIP)
 - 25.05% → \$189,325,960 for Urban Loops (TIP)
 - 6.5% → \$49,126,497 for Powell Bill
 - 6.5% → \$49,126,497 for Secondary Roads

MAINTENANCE SPENDING AND INDICATORS

	<u>1990</u>	<u>2001</u>	<u>% Change</u>
Maintenance spending (Millions, 2001 \$):	460	520	+13%
Lane Miles in Primary, Urban and Paved Secondary Systems	130,000	155,000	+19%
Vehicle Miles Driven (Millions):	63,000	97,000	+54%

H.F. Budget and DOT Estimate of Maintenance Shortfall



VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on DOT

February 27, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Milton Alford	OSBM
Hope Magera	DMV
Ardy Vance	DOT
Samuel Crow	NC DOT
Maude Benton	DOT
PBSimmons	NC DOT
Ken Melton	Alley Associates
Jessie Remington	NCPTA
Ruth Sapp	NC DOT
Mike Barber	CCPS
Bryan Beaty	CCPS

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

February 28, 2001

9:00am

Room 1228LB

Chairs

Senator Wib Gulley, *presiding*

Representative Nelson Cole

Representative Jim Crawford

Overview of the Highway Fund and Highway Trust Fund (*questions continued*)

Evan Rodewald, Committee Staff

Report of the Transportation Finance Committee

Rep. Cole and Sen. Gulley

Revenue Forecasts for the Highway Fund and the Highway Trust Fund

Paul Zipin, Office of State Budget and Management

Highway Fund Expenditure Model

Wayne Stallings, Chief Financial Officer, DOT

Joint Appropriations Subcommittee on Transportation
Tuesday, February 28, 2001
9:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Wednesday, February 28, 2001 in Room 1228 of the Legislative Building. Seven Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Barbee, Blue, Coates, Davis, Dockham, Gulley, McAllister, Saunders and Sutton. Senator Wib Gulley presided.

Senator Gulley asked Evan Rodewald, Fiscal Analyst, to continue to answer questions that were raised at the February 27, 2001 meeting. Evan distributed revised information regarding the review of the Highway Fund and Highway Trust Fund as a result of Representative Blue requesting 1989 to be the starting year rather than 1990 (see Handout #1).

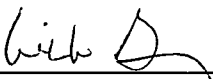
After Evan's presentation, Representative Cole presented the first part of a report from the Transportation Finance Commission (see Handout #2). Among other points, Representative Cole told the Committee that page 4 showed the transportation needs for the State. After Representative Cole's presentation, Senator Gulley completed the presentation of the report from the Transportation Finance Commission. Senator Gulley highlighted the management recommendations on page 9. Senator Gulley told the Committee that a completed Cash Management Study report would be ready in a couple of weeks. Also highlighted were DOT's environmental streamlining procedures and the Design-Build concept.

Senator Hoyle asked about GARVA bonds and TIFIA as financing options. Senator Hoyle also pointed out that North Carolina continues to be a donor state with regard to the tax flow to Federal Government and North Carolina should try harder to get the Congressional delegation to have more federal funds return to the State.

A discussion on money for new roads versus money for mass transit followed. Also, the idea of toll roads was discussed. Senator Gulley returned to his presentation with a discussion on the DOT efficiency study on page 10 of handout. Senator Gulley told the

Committee that the needs cannot be met in one year so page 12 shows steps that can be taken and page 13 shows the Transportation Finance Commission's recommendations of how to get the \$550 million needed for the items listed on page 12.

The meeting was adjourned at 10:00 am.



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

**REVENUE GROWTH IN HIGHWAY FUND, HIGHWAY
TRUST FUND, FEDERAL AID AND GENERAL FUND**

	Revenues (\$ Millions)		
	<u>1988-89</u>	<u>1999-00</u>	<u>% Change</u>
Highway Fund	914	1,165	+27%
Highway Trust Fund	<u>0</u>	<u>937</u>	<u>+++</u>
Total State Funding	914	2,102	+130%
Federal Aid (budgeted)	<u>316</u>	<u>760</u>	<u>+141%</u>
Total Transportation Funding	1,230	2,862	+133%
General Fund	6,547	12,852	+96%

Report of the Transportation
Finance Committee to the North
Carolina General Assembly

January 2001

2/27/01

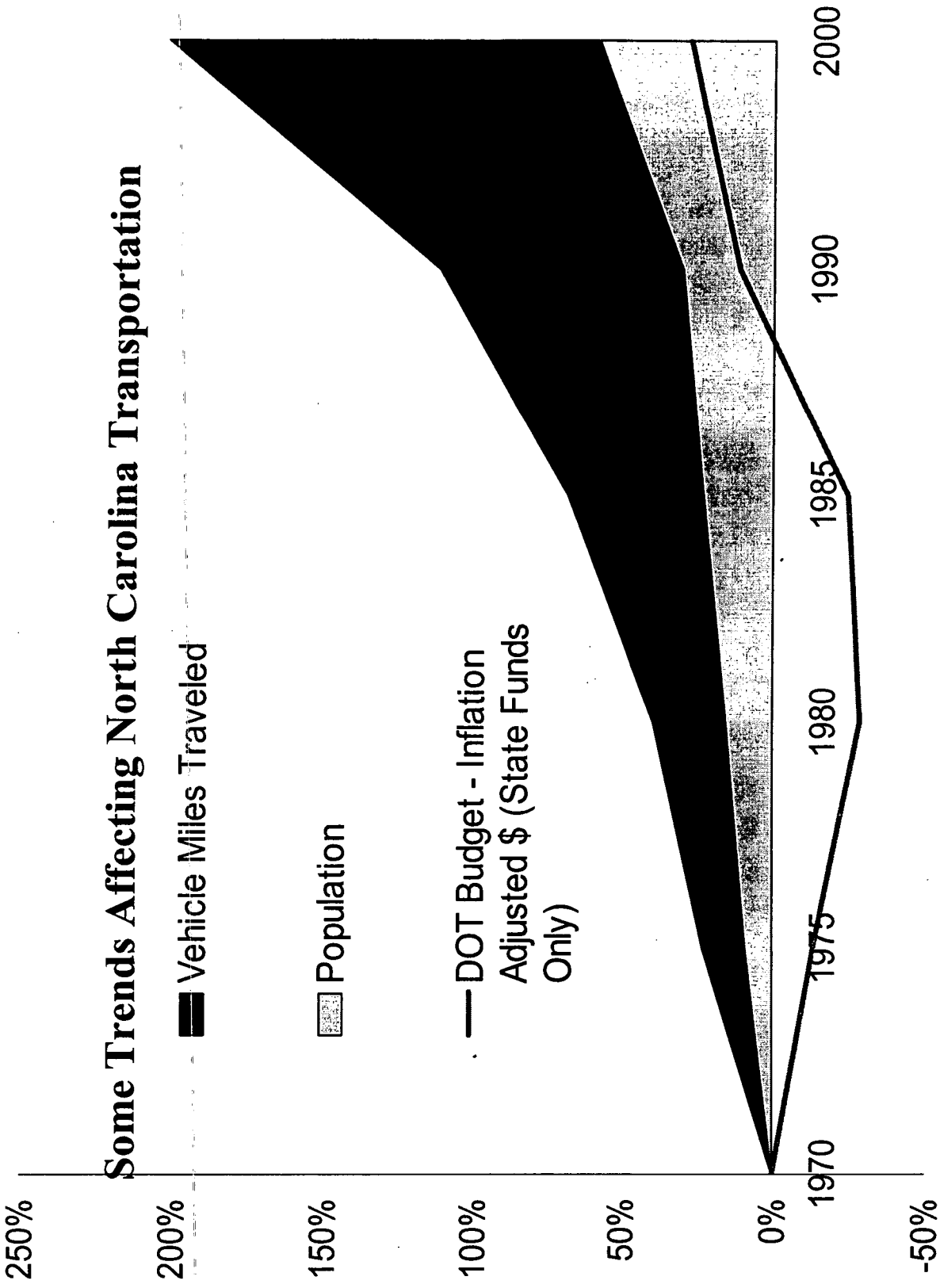
Handout #2

North Carolina Roads Are A State Responsibility

- In 1931 the responsibility for constructing and maintaining all county roads was transferred to the State.
- North Carolina has the second largest-state controlled road system in the nation and the largest in the southeast.

State	Population	State- Controlled Miles	State- Controlled as % of all roads	State Highway Disbursements 1999 (from USDOT)	State Highway Funding per Mile
Texas	20,851,820	79,164	26%	\$4,839,694,000	\$61,135
North Carolina	8,049,313	78,103	79%	\$2,440,764,000	\$31,251
Virginia	7,078,515	57,735	82%	\$2,770,964,000	\$47,995
South Carolina	4,012,012	41,518	64%	884,712,000	\$21,309
Georgia	8,166,453	17,837	16%	\$1,763,373,000	\$98,860

Some Trends Affecting North Carolina Transportation



Transportation Needs

- Maintenance Shortfall - \$300 million /year and growing to \$500 million/year
 - Current spending- \$520 million/year
- Additional TIP Construction - \$15 billion
 - Current spending - \$1.5 billion/year (includes federal funds)
- Interstate Widening - \$4 billion
- Bridge Replacement - \$2.8 billion
 - Current spending - \$45 million/year on bridge maintenance
- Complete Highway Trust Fund Projects – at least \$8.6 billion
- Public Transportation – Additional \$100 million/year
 - Current spending - \$50 million/year
- Passenger Rail – Additional \$50 million/year
 - Current spending - \$20 million/year
- Aviation, Ferry, Bicycle – Additional \$55 million/year
 - Current spending - \$45 million/year

Transportation Needs

Maintenance

- The annual maintenance shortfall is expected to grow from \$300 million to over \$500 million.
- Highway Trust Fund projects have increased the need for maintenance, but resources have lagged.

Transportation Needs Additional TIP Construction

Transportation Improvement Program

- Currently programmed - \$11 billion
- Identified, not funded - \$15 billion

Transportation Needs

Widening of Interstate Highways

- Widening of Interstate Highways (portions of I-77, I-85, I-95, I-40, and I-26) is necessary but is not currently planned

Transportation Needs

Public Transportation and Regional Rail

- State share (25%) of Regional Rail for Triangle Transit Authority, Charlotte, and the Triad, plus increases in public transit funding, could total \$500-\$700 million through 2008.

Management Recommendations

- Project Development TIP
- Complete Cash Management Study
- Add Interstate Projects to the Highway Trust Fund
- Support Environmental Streamlining
- Evaluate Toll Roads
- Begin Design-Build Projects
- Enable Local Funding of Transportation Needs

Recommended DOT Efficiency Study

DOT should conduct an efficiency study of its construction process, in consultation with the Joint Legislative Oversight Committee, including the following:

1. Develop recommendations, in consultation with each Division Engineer, of methods to complete projects in a more efficient and cost effective manner.
2. Identify methods to streamline the construction process, so that it is more efficient and effective.
3. Reevaluate the inflation factors used in the development of the Transportation Improvement Program, and develop a more precise method to utilize these inflation factors in calculating project cost estimates.
4. Examine the process of right-of-way acquisition, and develop recommendations to improve the cost-effectiveness and efficiency of the process.

Recommended DOT Efficiency Study

(continued)

5. Evaluate the amount the Department is spending on administration, recommend areas where costs could be reduced, and determine an appropriate percentage level at which administrative costs could be limited.
6. Determine additional specific projects that the Department could complete using the design build process, and projected cost savings from using the design build process.
7. Recommend areas that the Department could significantly increase its use of outsourcing to expedite permitting, planning, engineering and inspections, and identify cost saving from use of additional outsourcing.
8. Investigate and recommend a framework for commissioning a 20 year long range study by a qualified consultant of the State's transportation needs.

Funding Recommendations

\$550 Million

- Increase Annual Maintenance Funding by \$300 million
- Establish \$150 Million Construction Program in Highway Fund
- Establish \$100 Million Public Transportation Trust Fund

Recommended Funding Sources

\$550 Million

- Increase fees to adjust for inflation • **\$212 million**
 - Vehicle registration, truck, driver’s license, other
 - Increase Highway Use Tax from 3% to 4% • **\$200 million**
 - Increase the motor fuel tax by 2 cents/gallon • **\$100 million**
 - First year of phaseout of \$170 million transfer from Highway Trust Fund to General Fund • **\$38 million**
- \$550 million**

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on DOT

February 28, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Desmond Laughinghouse	NS
Mary Cornelia	REBIC
Wayne Stallings	NC DOT
Milton Alford	OSBP
Paul Zisin	OSBP
Jan Rungquist	NCPTA
Richard [unclear]	UTU
SEAN LAMM	UNITED TRANSPORTATION UNION
Grady McLoche	NC Conservation Network
Mercedes Benton	NC DOT
Ruth Sappie	NC DOT
Louis Steamer	NC CWA Political Council

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on DOT

February 28, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

NAME	FIRM OR AGENCY AND ADDRESS
DAVID KING	NC DOT
Chris Barber	CAPA
Michael English	Charlotte Chambers
Colin Perry	NEBA Staff
Kim Hubbard	NCLM
Lyman Cooper	CSX Corp
Deb Ross	ALM

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 1, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford, *presiding*

Representative Nelson Cole

Senator Wib Gulley

Revenue Forecasts for the Highway Fund and the Highway Trust Fund
Paul Zipin, Office of State Budget, Planning and Management

Highway Fund Expenditure Model
Wayne Stallings, Chief Financial Officer, DOT

MINUTES
JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
MARCH 1, 2001

The Joint Appropriations Subcommittee on Transportation met on Thursday, March 1, 2001, in Room 1228/1327 of the Legislative Building at 9:00 a.m. The following members were present: Presiding Chairman Jim Crawford, Representatives Cole, Bowie, Barbee, Coates, Davis, Dockham, Gulley, Saunders, and Sutton. Four Senate members were present. Staff to the committee, Evan Rodewald and Bob Weiss, attended. A visitor registration list is attached and made part of these minutes.

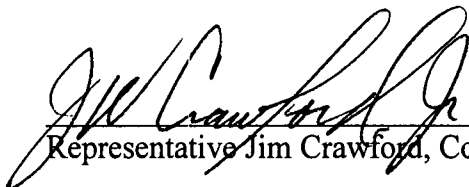
Chairman Crawford introduced Wayne Stallings, Department of Transportation Finance Officer (handout). Paul Zippin with the Office of State Budget, Planning and Management was scheduled to discuss revenue estimates but could not attend. Mr. Stallings began with an overview of the 2000-01 authorization and 2001-03 continuation budget for the Highway Fund. He then explained projected spending and the legal mandates. The transfer of \$38 million to the Highway Trust Fund (HTF) has been suspended for the last several years but is shown to resume in 2001-2002. This amount is not reflected in the TIP. Mr. Stallings described the purpose of the transfers to non-DOT agencies. He explained the administrative budget and the kinds of items included such as postage, facility costs, salaries, computer services, etc. The highway maintenance and construction budget has no allowance for an increase. That has to be requested in the expansion budget as in last year's non-recurring \$31 million for general maintenance reserve and a \$7 million current year increase for contract resurfacing. Public transit and rail were given a non-recurring increase last session.

Senator Hoyle asked the possibility of getting funding advances from the federal government to provide for maintenance needs. He asked that the committee make the recommendation as necessary to address the maintenance needs. Representative Dockham asked the possibility of diverting new construction dollars to maintenance. Mr. Stallings said no under the current law. Federal dollars do have some flexibility. Representative Sutton said raising taxes would provide the dollars needed. Representative Bowie said the Highway Trust Fund should be reconsidered for changes. Evan Rodewald said there are some restrictions on HTF dollars. Representative Bowie asked to see some figures on how dollars could be shifted. Representative Davis asked about costs of environmental laws and regulations to DOT. Ms. D'Ignazio said the agency can provide some data but not all.


In summary, Mr. Stallings said that \$8.9 million is available as a result of revenue surplus plus \$6.9 in reversions totaling about \$15 million surplus for the current year. Available in the expansion budget is \$113.7 million in the first year and \$100 million second year. To keep the program at its current level, DOT would have to replace \$38 million maintenance funds, \$15 million public transit funds, and \$13 million rail funds.

Mr. Stallings moved to page 2 of the handout showing the projected revenue and outlays for the Highway Trust Fund. This budget is governed by statute. The revenue is based on a certain formula.

The meeting adjourned at 10:00 a.m.



Representative Jim Crawford, Co-Chair



Linda Winstead, Committee Assistant

SCHEDULE OF ESTIMATED HIGHWAY FUND REVENUES AND FUNDING 2000-2009

\$ IN MILLIONS

FUNDS AVAILABLE	Author.	Continuation			Projected				
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
GAS TAX	854.220	898.050	895.510	913.220	933.000	952.590	983.450	1,014.730	1,046.950
INSPECTION FEE	12.600	12.880	13.240	13.650	14.030	14.400	14.770	15.140	15.520
VEHICLE REGISTRATION FEE	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120
STAGGERED REGISTRATION	146.000	151.840	157.150	161.870	166.400	171.230	176.540	181.480	186.560
TRUCK LICENSES	61.010	61.930	63.160	64.870	66.620	68.350	70.270	72.160	73.970
INTERNATIONAL REGISTRATION	50.300	52.820	53.870	55.380	56.820	58.300	59.700	61.250	62.780
DRIVER LICENSE	68.140	68.550	70.260	71.390	72.460	73.620	74.800	76.070	77.210
OTHER	40.020	40.900	41.720	42.760	43.830	44.930	46.050	47.200	48.380
TREASURER INVESTMENTS	15.730	16.200	16.680	17.040	17.430	17.820	18.360	18.910	19.470
TOTAL REVENUE ESTIMATE	1,248.140	1,303.290	1,311.710	1,340.300	1,370.710	1,401.360	1,444.060	1,487.060	1,530.960
SURPLUS/REVERSIONS	6.980	14.860							
TOTAL AVAILABLE	1,255.120	1,318.150	1,311.710	1,340.300	1,370.710	1,401.360	1,444.060	1,487.060	1,530.960
PROJECTED SPENDING									
LEGAL MANDATES									
TRANSFER TO HWY TRUST/DEBT	-	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000
POWELL BILL 13% ↓	87.902	87.462	89.387	91.889	94.738	97.391	99.923	102.521	105.084
SECONDARY ROADS PAVING	87.902	87.462	89.387	91.889	94.738	97.391	99.923	102.521	105.084
REVENUE, AGRICULTURE, LUST TRUST	12.600	12.880	13.240	13.650	14.030	14.400	14.770	15.140	15.520
PAYMENT IN LIEU OF SALES TAX	13.800	14.560	15.360	16.205	17.096	18.036	19.028	20.075	21.179
TRANSFERS TO NON DOT AGENCIES									
HIGHWAY PATROL	128.351	133.687	135.875	138.875	141.875	144.875	147.875	150.875	153.875
DRIVER EDUCATION	28.206	31.186	31.186	31.810	32.446	33.095	33.757	34.432	35.121
DEHNR, CHEMICAL TEST DHHS	0.438	0.438	0.438	0.438	0.438	0.438	0.438	0.438	0.438
GLOBAL TRANSPARK	1.097	1.212	1.260	1.310	1.363	1.417	1.474	1.533	1.594
ADMINISTRATIVE BUDGETS									
DEPT. OF TRANSPORTATION ADMN	37.460	36.588	36.588	36.743	36.901	37.063	37.229	37.399	37.573
DOT COMPUTER SERVICES	31.979	32.608	32.608	32.719	32.832	32.949	33.068	33.191	33.316
DIVISION OF HIGHWAYS MANAGEMENT	28.819	28.802	28.802	28.835	28.869	28.904	28.939	28.976	29.014
DIVISION OF MOTOR VEHICLES	100.647	100.717	100.713	101.425	102.158	102.913	103.691	104.491	105.316
DOT HWY. SAFETY PROGRAM	0.357	0.357	0.357	0.357	0.357	0.357	0.357	0.357	0.357
HIGHWAY MAINTENANCE AND CONSTRUCTION									
PRIMARY MAINTENANCE	120.975	120.975	120.975	120.975	120.975	120.975	120.975	120.975	120.975
SECONDARY MAINTENANCE	207.239	207.239	207.239	207.239	207.239	207.239	207.239	207.239	207.239
URBAN MAINTENANCE	39.217	39.217	39.217	39.217	39.217	39.217	39.217	39.217	39.217
GENERAL MAINTENANCE RESERVE	31.000	-	-	-	-	-	-	-	-
CONTRACT RESURFACING	135.529	128.530	128.530	128.530	128.530	128.530	128.530	128.530	128.530
OSHA SAFETY	0.425	0.425	0.425	0.425	0.425	0.425	0.425	0.425	0.425
SMALL URBAN	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000
DISCRETIONARY	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
PUBLIC ACCESS	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
SPOT SAFETY	9.100	9.100	9.100	9.100	9.100	9.100	9.100	9.100	9.100
FEDERAL AID MATCH, MTR. CARRIER SAFETY	1.253	1.253	1.253	1.253	1.253	1.253	1.253	1.253	1.253
FEDERAL AID MATCH, HWY RESEARCH	2.960	3.960	3.960	3.960	3.960	3.960	3.960	3.960	3.960
WASTEWATER MANAGEMENT	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NON HIGHWAY MODES									
PUBLIC TRANSIT	40.747	25.125	25.125	25.125	25.125	25.125	25.125	25.125	25.125
RAIL	21.507	8.575	8.575	8.575	8.575	8.575	8.575	8.575	8.575
FERRY	18.747	19.747	19.747	19.747	19.747	19.747	19.747	19.747	19.747
LEGISLATIVE SALARY CONTINUATION	13.966	-	-	-	-	-	-	-	-
SALARY ADJ FUND(CUMULATIVE)	0.060	0.400	0.400	0.800	0.800	1.200	1.200	1.200	1.200
OTHER RESERVES	8.475	7.475	7.475	7.475	7.475	7.475	7.475	7.475	7.475
CAPITAL OUTLAY	9.000								
TOTAL BASE SPENDING	1,246.258	1,204.481	1,211.721	1,223.066	1,234.762	1,246.550	1,257.793	1,269.269	1,280.791
FUNDS AVAILABLE	8.860	113.669	99.989	117.234	135.948	154.810	186.267	217.791	250.169

**North Carolina Highway Trust Fund
Projected Revenue and Outlays 2000-01 through 2008-09**

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Motor Fuel Tax	284.712	299.322	298.473	304.375	310.969	317.499	327.784	338.209	348.950
Motor Vehicle Use Tax	553.992	570.335	614.821	650.481	687.558	723.311	759.477	798.210	838.121
Title Certificates	80.481	81.929	84.223	86.497	88.833	91.142	93.421	95.756	98.150
Miscellaneous Registration Fees	10.092	10.193	10.509	10.824	11.127	11.428	11.748	12.053	12.354
Lien Recording Fees	2.034	2.054	2.095	2.135	2.180	2.224	2.268	2.318	2.364
Investment Income	34.200	24.890	22.152	19.494	17.544	18.261	19.043	19.870	20.721
Total Revenue	965.511	988.723	1,032.273	1,073.806	1,118.211	1,163.865	1,213.741	1,266.416	1,320.660
Transfer From Highway Fund	-	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000
Total Available	965.511	1,026.723	1,070.273	1,111.806	1,156.211	1,201.865	1,251.741	1,304.416	1,358.660
Intrastate	451.189	487.837	512.944	536.865	562.489	588.934	617.885	648.480	679.989
Urban Loops	182.442	197.261	207.413	217.086	227.447	238.140	249.847	262.218	274.959
Municipal Aid	47.340	51.185	53.820	56.330	59.018	61.793	64.831	68.041	71.347
Secondary Roads	81.832	86.298	89.915	93.400	97.090	100.854	104.868	109.079	113.411
Administration	32.707	34.142	36.181	38.126	40.167	42.144	44.310	46.598	48.954
General Fund	170.000	170.000	170.000	170.000	170.000	170.000	170.000	170.000	170.000
Total Funding	965.510	1,026.723	1,070.273	1,111.807	1,156.211	1,201.865	1,251.741	1,304.416	1,358.660

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Crawford)
Sent: Thursday, March 01, 2001 10:01 AM
Subject: Approp/Transportation Meeting Notice

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **JOINT APPROPRIATIONS/TRANSPORTATION** will meet as follows:

DAY & DATE: Tuesday, March 6, and Wednesday, March 7, 2001
TIME: 9:00 A.M.
LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **10:00 a.m.** on **Thursday, March 1, 2001.**

____ Principal Clerk
____ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 6, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole, *presiding*
Senator Wib Gulley

Revenue Forecasts for the Highway Fund and the Highway Trust Fund
Paul Zipin, Office of State Budget, Planning and Management

The Transportation Improvement Program
Calvin Leggett, Manager, Program Development Branch, DOT

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

March 6, 2001

9:00 A.M.

Room 1228 LB

The Joint Appropriations Subcommittee on Transportation met on March 6, 2001 at 9:00 a.m. in room 1228 of the Legislative Building. Representative Jim Crawford presided in the absence of Rep. Nelson Cole. Four members of the Senate committee were in attendance. A visitor registration list is attached and made part of these minutes. The following members of the House committee were present:

Rep. Jim Crawford
Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Lorene Coates

Rep. Don Davis
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Crawford opened the meeting, acknowledged the pages, and introduced Paul Zipin, Office of the State Budget, Planning and Management Division, who presented handout #1, Revenue Forecasts for the Highway Fund and the Highway Trust Fund. He explained the charts in this handout, which are self-explanatory.

Mr. Zipin then presented handout #2, Revenue Forecast for the Highway Fund and Highway Trust Fund. It is estimated that the current year will grow by 7.2% for the Highway Fund Revenue, which is a high rate of growth. The estimated total motor fuels tax for the year is 9.3%, the total licenses and fees to be a 3.7% increase with the investment income at a negative 15.4% making the Total Highway Fund Revenue at a 7.2% growth rate. The total projected growth rate for 2001-02 is 4.4% with the total projected growth rate for 2002-03 to be .6% for the Highway Funds. The estimated Highway Trust Fund Revenue growth rate for 2000-01 is 3.8%, with the 2001-02 projected growth rate to be 3.0% and the 2002-03 projected growth rate of 5.4%.


For a long-term perspective of where the state is standing, he compared tax collections for 1993 to 2000. In this time period, the General Fund increased from 84% to 86% in state revenue. The Highway Trust Fund share remained the same and the Highway Fund was 10% in 1993 and 8% in 2000. The long-term situation for the Highway Fund is that it will grow slowly since it is funded from per unit taxes. The Trust Fund will do a little better since it is from motor vehicle tax and the General Fund will grow the fastest since it is from real growth and inflation. In summary, the Highway Fund will always face a problem based on how its fund structure is set up. Representative Blue asked what the average daily balance is on the Highway Fund and the Highway Trust Fund. Evan Rodewald, staff, responded that at the end of the last fiscal year it was between 1.1 and 1.2 billion dollars. Discussion followed.

Joint Appropriations Subcommittee on Transportation
March 6, 2001

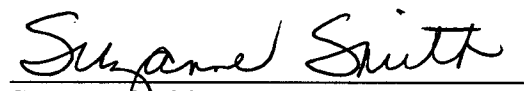
Representative Crawford then recognized Calvin Leggett, Manager of Program Development Branch with the Department of Transportation. He presented handout #3, Transportation Financing-TIP Budget Issues. The key components for their revenue is state gasoline tax; the highway use tax, and fees. The state gasoline tax generates 1.2 billion dollars a year with 75% of it going to the Highway Fund and 25% to the Highway Trust Fund. The highway use tax generates \$545 million a year with all of it going to the Highway Trust Fund. The licenses, fees and registrations generate \$775 million a year with a rough split of 50-50 between the two funds. The overall picture of their budget indicates a little over 30% of the total budget for the year is in the Highway Trust Fund; federal aid is 24% and the Highway Fund is 39%. The Highway Fund is not an element of the TIP. The TIP consists of the state Highway Trust Fund and the federal aid program. This means that 55% of the state TIP budget is driven by state revenues and the other 45% is federal aid. In the Highway Trust Fund, 60% of the budget comes from highway use tax, gasoline tax provides less than 30%, and fees and other are 11-12% of the budget. In the Highway Fund, 75% of the revenue is from gasoline tax and the remainder is from fees. There are no TIP funds in the Highway Funds. The key message from Mr. Leggett is that the budget shows increases each year, but when construction cost and inflation are taken out, there is no growth in the revenue.

With time being a factor, the chair asked if Mr. Leggett could continue his presentation at the next meeting on Wednesday, March 7th at 9:00 a.m. The meeting was adjourned at 9:55 a.m.

Respectfully submitted:



Representative Jim Crawford
Chairman, House Committee



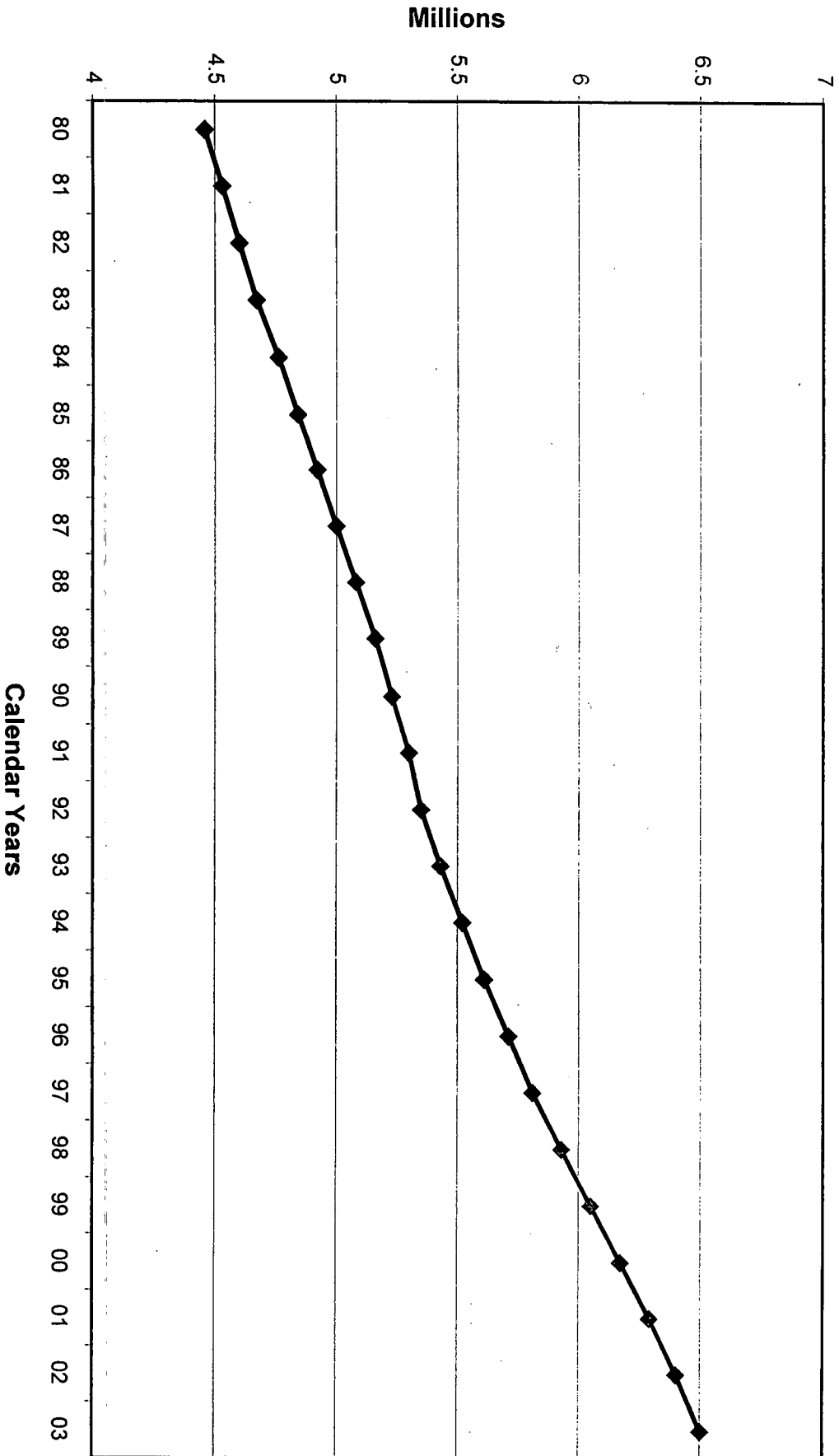
Suzanne Smith
House Legislative Committee Assistant

Amendment #1

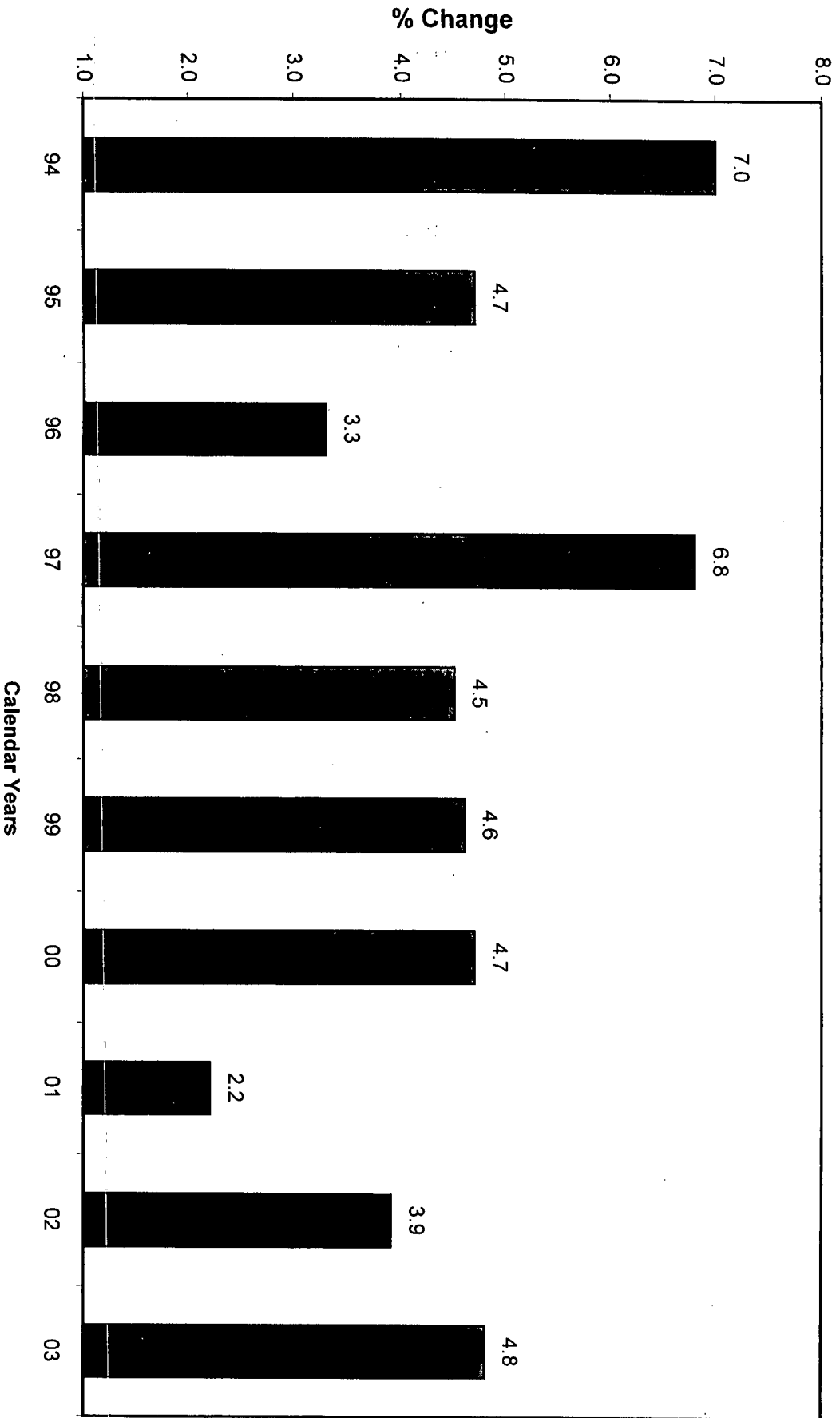
HIGHWAY FUND AND HIGHWAY TRUST FUND
REVENUE FORECAST

Office of State Budget, Planning, and Management
February 28, 2001

NC DRIVING AGE POPULATION



GROWTH IN REAL NC GROSS STATE PRODUCT

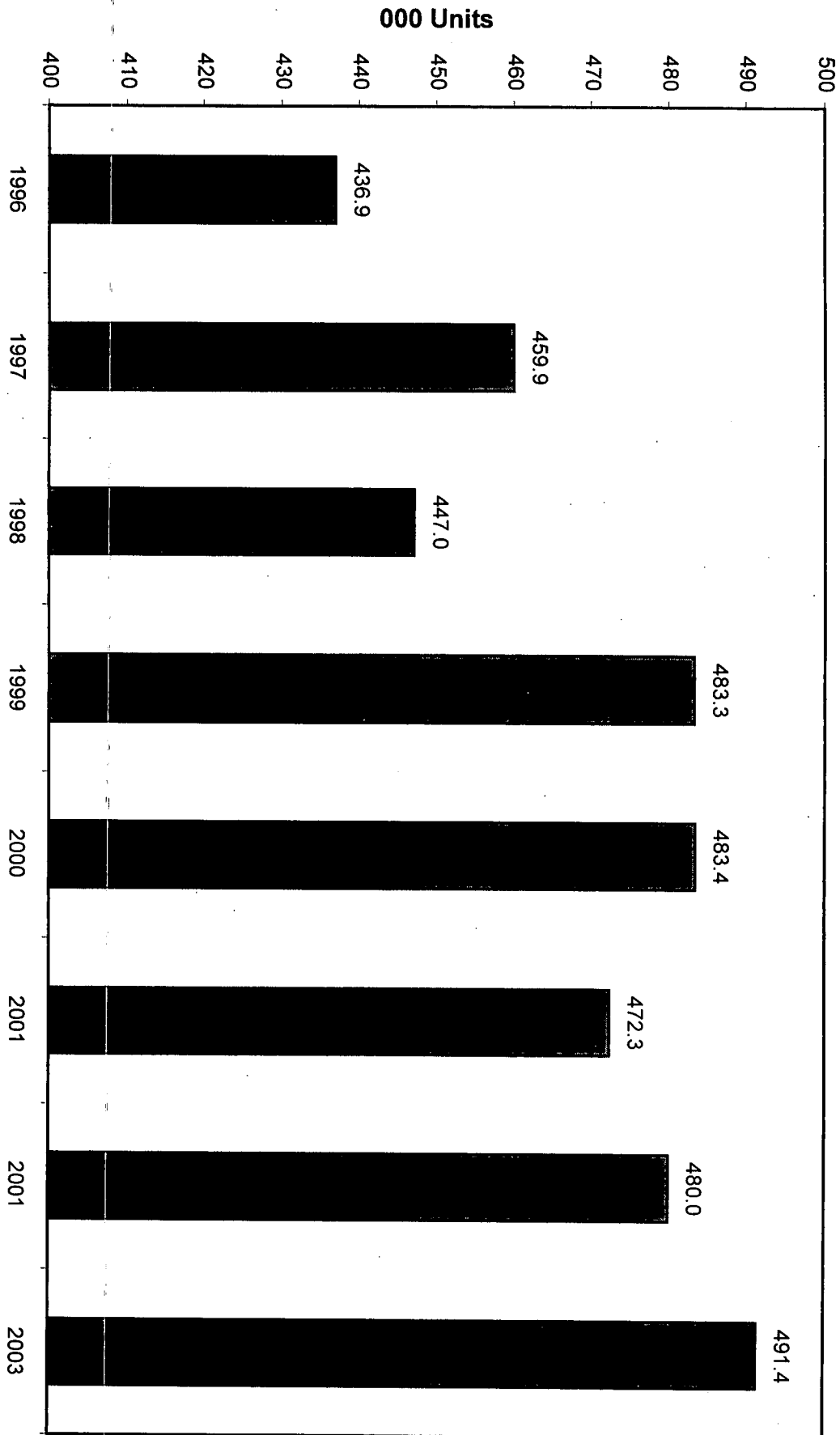


U.S. WHOLESALE PRICE INDEX OF REFINED PETROLEUM PRODUCTS



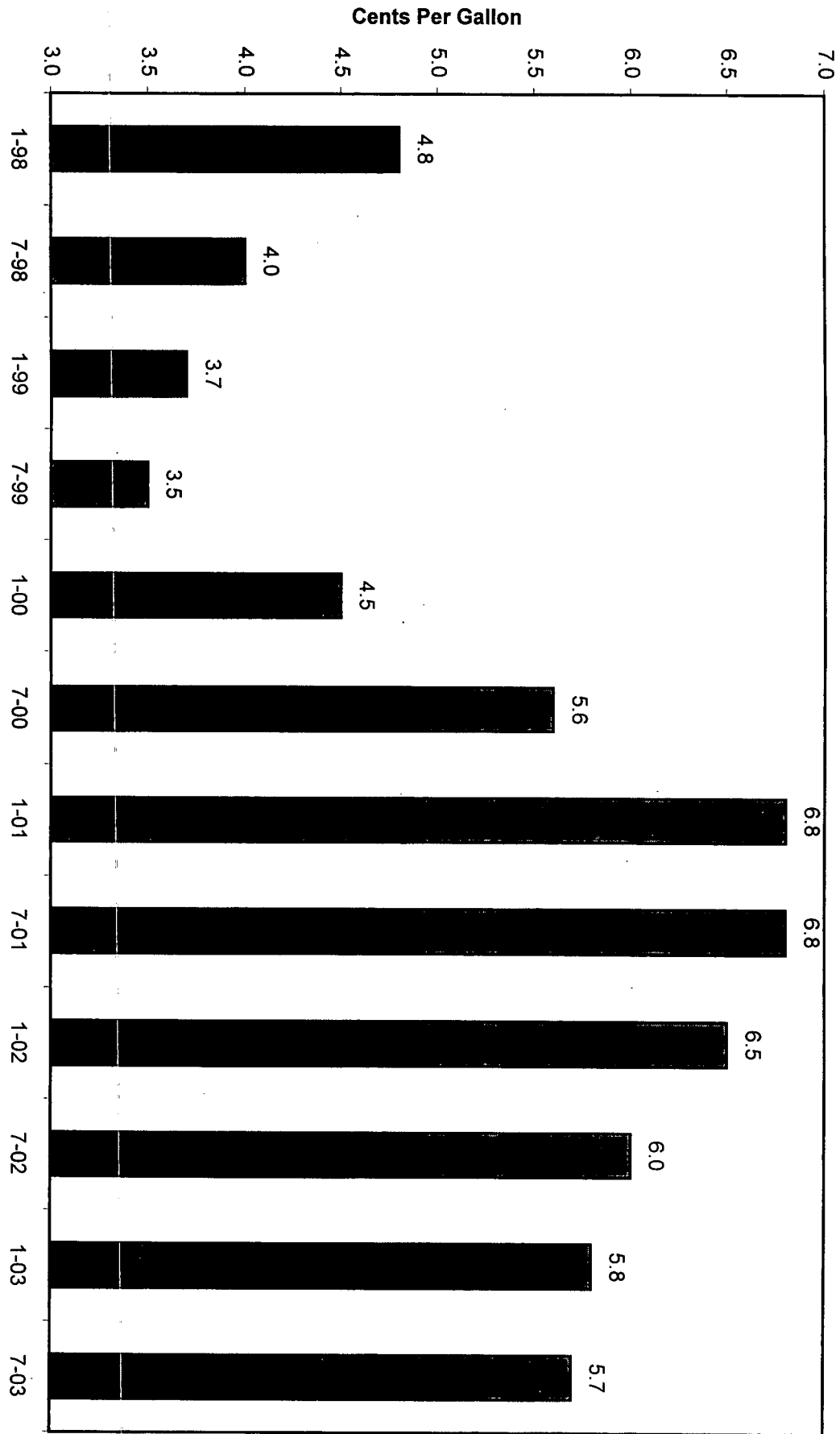
Source: Standard and Poor's DRI

NC NEW LIGHT VEHICLE REGISTRATIONS



NC VARIABLE MOTOR FUELS TAX RATE

(Minimum Rate is 3.5 Cents Per Gallon)



HIGHWAY FUND REVENUE

	1998-99	99-2000	2000-01	2001-02	2002-03
GASOLINE TAX (75%)	Actual	Actual			
% CHANGE	762.89	781.02	854.22	898.05	895.51
Effective Tax Rate(Cts/Gallon)	0.0	2.4	9.4	5.1	-0.3
Growth in Consumption	21.00	20.93	23.01	23.67	22.96
	4.6	2.7	(0.5)	2.2	2.8
INSPECTION FEE	12.49	12.28	12.60	12.88	13.24
% CHANGE	6.0	(1.7)	2.6	2.2	2.8
HIGHWAY USE REG. FEE	0.16	0.17	0.12	0.12	0.12
% CHANGE	(36.0)	6.3	0.0	0.0	0.0
TOTAL MOTOR FUELS	775.54	793.47	866.94	911.05	908.87
% CHANGE	0.0	2.3	9.3	5.1	(0.2)
STAGGERED REGISTRATIONS	139.11	145.62	146.00	151.84	157.15
% CHANGE	3.6	4.7	0.3	4.0	3.5
TRUCK LICENSES	56.78	59.52	61.01	61.93	63.16
% CHANGE	6.1	4.8	2.5	1.5	2.0
INTERNL REG PLAN	50.79	54.69	50.30	52.82	53.87
%CHANGE	21.3	7.7	(8.0)	5.0	2.0
DRIVER LICENSES	62.28	58.94	68.14	68.55	70.26
% CHANGE	(11.2)	(5.4)	15.6	0.6	2.5
OTHER	30.98	33.74	40.02	40.90	41.72
% CHANGE	2.8	8.9	18.6	2.2	2.0
TOTAL LICENSES & FEES	339.94	352.51	365.47	376.03	386.17
% CHANGE	3.6	3.7	3.7	2.9	2.7
INVESTMENT INCOME	15.54	18.59	15.73	16.20	16.68
% CHANGE	53.4	19.6	(15.4)	3.0	3.0
TOTAL HIGHWAY FUND	1,131.02	1,164.57	1,248.14	1,303.28	1,311.72
% CHANGE	1.6	3.0	7.2	4.4	0.6

HIGHWAY FUND
AND
HIGHWAY TRUST FUND
REVENUE FORECAST

OSBM&P

February 28, 2001

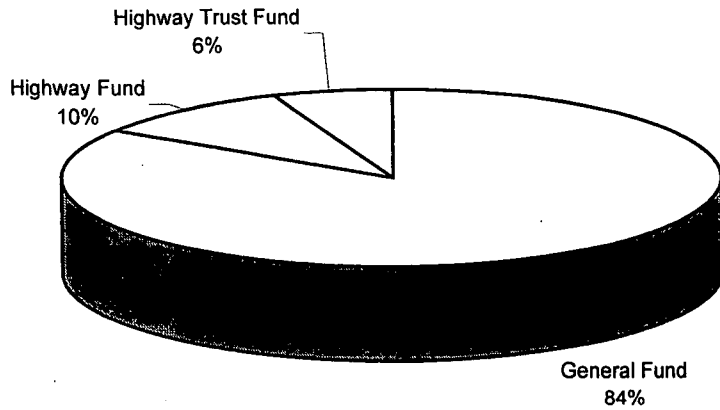
Highway Fund Revenue, 2001-03

	<u>1999-00</u> <u>Actual</u>	<u>2000-01</u> <u>Estimated</u>	<u>2001-02</u> <u>Projected</u>	<u>2002-03</u> <u>Projected</u>
Motor Fuels Taxes:				
Motor Fuel Tax	\$ 781,017,763	\$ 854,220,000	\$ 898,050,000	\$ 895,510,000
Gasoline Inspection Fee	12,278,488	12,660,000	12,880,000	13,240,000
Highway Use Registration Fee	171,300	120,000	120,000	120,000
Total Motor Fuels Tax	\$ 793,467,551 2.3%	\$ 866,940,000 9.3%	\$ 911,050,000 5.1%	\$ 908,870,000 -0.2%
Licenses and Fees:				
Staggered Registration Plan	\$ 145,624,292	\$ 146,000,000	\$ 151,840,000	\$ 157,150,000
Driver Licenses	58,944,575	68,140,000	68,550,000	70,260,000
Truck Plates	59,519,842	61,010,000	61,930,000	63,160,000
International Registration Plan	54,694,488	50,300,000	52,820,000	53,870,000
Other Licenses and Fees	33,723,874	40,020,000	40,900,000	41,720,000
Total Licenses and Fees	\$ 352,507,070 3.7%	\$ 365,470,000 3.7%	\$ 376,030,000 2.9%	\$ 386,170,000 2.7%
Investment Income	\$ 18,594,080 19.6%	\$ 15,730,000 (15.4%)	\$ 16,200,000 3.0%	\$ 16,680,000 3.0%
Total Highway Fund Revenue	\$1,164,568,701 3.0%	\$1,248,140,000 7.2%	\$1,303,280,000 4.4%	\$1,311,720,000 0.6%

Highway Trust Fund Revenue, 2001-03

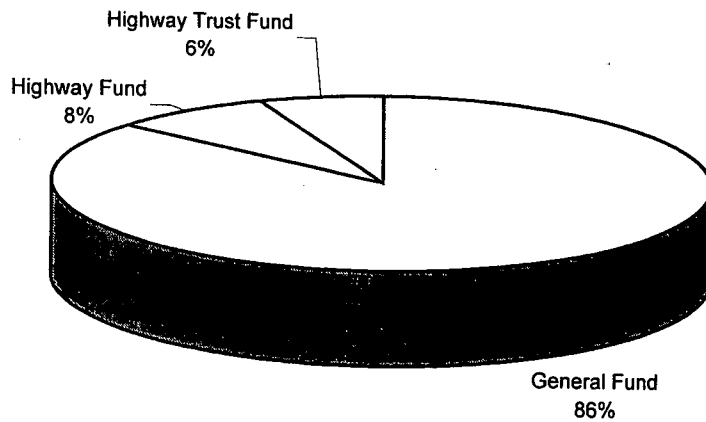
	1999-00 Actual	2000-01 Estimated	2001-02 Projected	2002-03 Projected
Anticipated Collections:				
Motor Fuel Tax Revenue	\$ 260,744,650	\$ 284,712,000	\$ 299,322,000	\$ 298,473,000
Highway Use Tax	545,268,353	553,992,000	570,335,000	614,821,000
Title Fees:				
Certificates of Title	80,885,529	80,481,000	81,929,000	84,223,000
Miscellaneous Title Fees	12,335,839	12,126,000	12,247,000	12,604,000
Subtotal	899,234,371	\$ 931,311,000	\$ 963,833,000	\$1,010,122,000
	7.8%	3.6%	3.5%	4.8%
 Treasurer's Investments	 37,444,308	 34,200,000	 24,890,000	 22,152,000
	(4.8%)	(8.7%)	(27.2%)	(11.0%)
 Subtotal	 \$ 936,678,679	 \$ 965,511,000	 \$ 988,723,000	 \$1,032,274,000
	7.2%	3.1%	2.4%	4.4%
Amount Currently Required to be Transferred to the General Fund	(170,000,000)	(170,000,000)	(170,000,000)	(170,000,000)
 Balance Available	 \$ 766,678,679	 \$ 795,511,000	 \$ 818,723,000	 \$ 862,274,000
	8.9%	3.8%	3.0%	5.4%

NORTH CAROLINA STATE TAX COLLECTIONS
(1992-93)



General Fund	\$ 7,883,017,000
Highway Fund	924,114,000
Highway Trust Fund	547,856,000
	<hr/>
Total State Tax Revenue	\$ 9,354,987,000

NORTH CAROLINA STATE TAX COLLECTIONS
(1999-00)



General Fund	\$12,391,871,000
Highway Fund	1,145,980,000
Highway Trust Fund	899,233,000
	<hr/>
Total State Tax Revenue	\$14,437,084,000

Transportation
Financing

TIP Budget Issues

Calvin W. Leggett, P.E.
Manager, Program Development Branch

Horndant #3



Key components of taxes and fees

- **State gasoline tax: 23.35¢/gal**
 - ⇒ 17.5¢/gal. + 7% average wholesale price + 0.25¢ inspection fee
 - ⇒ inspection fee is for gasoline quality control functions, tax accounting, and other non-NCDOT functions
 - ⇒ state gas tax adjusted every six months; above is for second half of FY 2000
 - ⇒ state gas tax includes gasoline, diesel, and all liquid alcohol blends
- **Highway Use Tax**
 - ⇒ 3% of retail value of a motor vehicle (up to \$1,000 for trucks and \$1,500 for cars)
 - ⇒ 3-8% of gross receipts for lease or rental of motor vehicles
 - ⇒ \$1,000-1,500 maximums for same person continuous leases/rentals
- **Fees / Other**
 - ⇒ Licenses, Registrations, Inspections, Permits
 - ⇒ Penalties, Interest



State Revenue Sources and Distributions of Funds

Source	Revenue received	Highway Fund	Highway Trust Fund
Gasoline tax	\$1,042,000,000	\$781,000,000	\$261,000,000
Highway use tax	\$545,000,000		\$545,000,000
Licenses / registrations / Permits / other fees	\$775,000,000	\$384,000,000	\$391,000,000

NOTE: FY 2000 data shown for illustration purposes



Trust Fund Progress

	Intrastate	% of System	Loops	% of System
<u>1989 status</u>				
Total system miles	3600	100	218	100
Miles already complete in 1989	1800	50	0	0
Estimated total miles to complete	1800	50	218	100
Estimated cost to complete	\$5.33 billion		\$2.11 billion	
Expenditures per mile	\$3.0 million		\$9.7 million	
Funds authorized as of FY 2000	\$3.77 billion		\$1.50 billion	
<u>2001 status</u>				
Total miles complete as of FY 2000	2502	70	74	34
Remaining miles to complete	1098	30	144	66
Estimated remaining costs (does <u>not</u> include preliminary engineering)	\$6.28 billion		\$2.35 billion	
Projected cost per mile	\$5.7 million		\$16.3 million	



1996 Bond Fund Authorizations - summary

Total Bond Program:	\$950,000,000
Total Authorizations to Date:	\$893,600,000
Total Balance Remaining:	\$56,400,000



Bond Fund Authorizations through March 2001

INTRASTATE

Route	Authorizations To Date
US 17	\$19,800,000
US 264	\$12,700,000
US 74	\$20,300,000
US 421	\$36,900,000
140	\$55,400,000
185	\$19,100,000
NC 87	\$26,000,000
US 70	\$10,900,000
NC 24	\$2,500,000
NC 24-27	\$7,600,000
US 64	\$47,500,000
US 220	\$3,600,000
US 221	\$18,300,000
US 158-NC 34	\$2,700,000
Total to date:	\$283,500,000
Remaining balance:	\$16,500,000

LOOPS

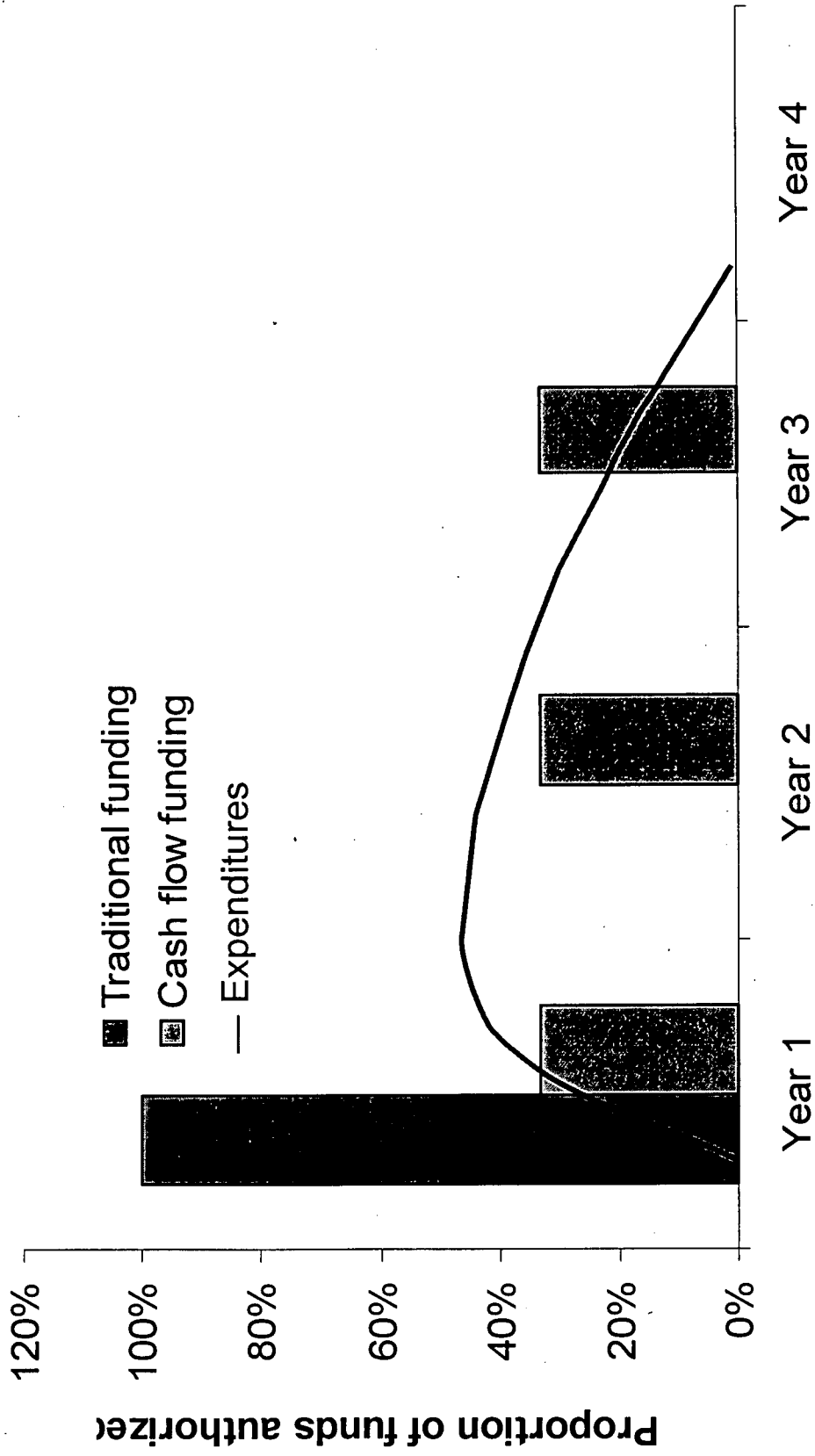
Route	Authorizations To Date
Raleigh Outer Loop	\$98,800,000
Charlotte Outer Loop	\$147,700,000
Greensboro Outer Loop	\$86,300,000
Wilmington Bypass	\$126,800,000
Asheville Loop	\$300,000
Winston-Salem Beltway	\$5,000,000
Total to date:	\$464,800,000
Remaining Balance:	\$35,200,000

SECONDARY ROADS

Total to date: \$145,300,000
Remaining Balance: \$4,700,000



Funding Method vs. Expenditures



Route	Original Mileage Estimate	Remaining Mileage Estimate	Current Mileage Estimate	Route Status PE	ROW Const.	Fully Funded Construction Miles	% of Total	Current Dollars 7/00 TIP (Excludes PE)	Federal Dollars Authorized As of 9/30/00	State Dollars Authorized As of 6/30/00	Bond Dollars Authorized As of 6/30/00	Total Dollars Authorized
I-40	21.4	8.3	19.9	X	X	11.6	54.2%	31,318,000	97,625,631	21,065,961	55,405,876	174,097,468
I-77	8.9		10.9	X	X	10.9	122.5%	0	26,128,402	38,464,895	0	64,593,297
I-85 ***	68.1	14.0	74.7	X	X	60.7	89.1%	173,760,000	374,234,328	50,649,885	19,148,920	444,033,133
I-95	N/A						N/A	0	3,689,145	0	0	3,689,145
US-1	100.1	39.9	97.8	X	X	57.9	57.8%	265,950,000	50,613,387	161,931,658	0	212,545,045
US-13	45.9	45.7	45.7	X	X		0.0%	219,000,000	1,600,000	1,855,000	0	3,455,000
US-17 ***	188.8	112.2	206.7	X	X	94.5	50.1%	645,955,000	186,931,584	200,683,514	19,830,459	407,445,557
US-19/19E	29.7	29.3	29.3	X	X		0.0%	172,200,000	0	1,650,000	0	1,650,000
US-74 (US 19) *	28.1	22.2	29.3	X	X	7.1	25.3%	552,020,000	15,538,518	24,511,656	0	40,050,174
US-23	30.0	24.1	28.8	X	X	4.7	15.6%	57,263,000	194,816,980	11,851,558	0	206,668,538
US-23-441	11.4	0.0	11.6	X	X	11.6	101.8%	0	6,812,000	26,629,174	0	33,441,174
I-74-NC 752 (US 52) **	22.5	0.0	23.7	X	X	23.7	105.3%	0	39,480,479	92,670,756	0	132,151,235
US-64 (I95 to Coast) ***	107.2	64.7	111.4	X	X	46.7	43.6%	443,190,000	88,018,284	173,801,247	24,065,151	285,884,682
US-64 (Lex to Rai) ***	76.2	31.1	72.6	X	X	41.5	54.5%	97,009,000	112,044,366	46,011,543	23,482,352	181,538,261
US-70	64.9	52.4	61.9	X	X	9.5	14.6%	479,276,000	27,889,901	31,105,453	10,425,000	69,420,354
US-74 ***	61.1	36.7	78.3	X	X	41.6	68.1%	311,767,000	84,868,193	186,787,344	4,975,000	276,630,537
US-74 (I26 to I85)	18.3		18.4	X	X	18.4	100.5%	0	19,062,110	28,238,216	0	47,300,326
US-158	240.3	226.5	237.1	X	X	10.6	4.4%	873,706,000	2,425,000	44,230,269	2,700,000	49,355,269
Bridge	9.9	9.9	9.9	X	X		0.0%	95,100,000	0	2,100,000	0	2,100,000
US-221	70.2	60.2	69.7	X	X	9.5	13.5%	359,650,000	8,590,000	15,610,984	18,329,172	42,530,156
US-220	36.3	18.9	39.6	X	X	20.7	57.0%	94,600,000	57,649,022	38,727,147	3,589,000	99,965,169
US-220/NC 68 (to VA line)	24.4	13.1	26.1	X	X	13.0	53.3%	111,700,000	0	58,470,935	0	58,470,935
US-264	27.1	10.9	28.7	X	X	17.8	65.7%	33,244,000	99,979,115	29,240,245	12,511,631	141,730,991
US-321	38.5	10.5	38.0	X	X	27.5	71.5%	81,500,000	72,744,900	37,390,052	0	110,134,952
US-421 (TN to I40)	63.3	28.0	63.4	X	X	35.4	56.0%	119,157,000	45,762,161	192,797,295	8,515,000	247,074,456
US-421 (G'boro to Sanford)	37.4	24.9	37.2	X	X	12.3	32.9%	186,660,000	22,618,826	7,629,385	0	30,248,211
NC-24 (& NC-24-27)	202.3	146.2	203.0	X	X	56.8	28.1%	632,418,000	71,821,423	114,801,422	16,632,000	203,254,845
NC-87	81.2	43.3	82.5	X	X	39.2	48.3%	130,501,000	47,290,969	66,708,065	25,368,266	139,367,300
NC-105	14.6	14.6	14.6	X	X		0.0%	70,000,000	4,752,064	0	0	4,752,064
NC-168	18.5		18.3	X	X	18.3	98.9%	0	0	59,490,116	0	59,490,116
NC-194	10.3	10.3	10.3	X	X		0.0%	40,100,000	0	0	0	0
TOTAL INTRASTATE	1756.9	1097.9	1799.4			701.5	39.9%	6,277,044,000	1,762,986,788	1,765,103,773	244,977,827	3,773,068,387

Route	Original Mileage Estimate	Remaining Mileage Estimate	Current Mileage Estimate	Route Status		Fully Funded Construction Miles	Fully Funded Construction % of Total	Remaining Costs in Current 7/00 TIP (Excludes PE)	Federal Dollars Authorized As of 9/30/00	State Dollars Authorized As of 6/30/00	Bond Dollars Authorized As of 6/30/00	Total Dollars Authorized
				PE	ROW Const.							
Asheville Western Loop	3.2		3.5	X	X	0.0%	0.0%	156,030,000	3,350,000	0	180,000	3,530,000
Charlotte Outer Loop	68.1		70.3	X	X	48.3	70.9%	378,994,000	426,550,058	79,157,288	147,675,787	653,383,133
Durham Northern Loop	16.4		19.3	X			0.0%	195,780,000	0	1,500,000	0	1,500,000
Greensboro Loop	41.6		43.2	X	X	7.6	18.2%	581,549,000	143,464,673	145,295,433	70,360,111	359,120,217
Raleigh Outer Loop	38.0		40.3	X	X	17.7	46.6%	271,420,000	262,663,738	32,558,891	98,801,789	394,024,418
Wilmington Bypass	20.2		19.1	X	X		0.0%	315,200,000	14,092,690	11,320,688	13,570,000	38,983,378
Winston-Salem N Belt	24.5		22.8	X	X		0.0%	450,299,000	12,000,000	28,881,999	4,981,705	45,863,704
TOTAL LOOPS	212.0		218.5			73.5	34.7%	2,349,272,000	862,121,159	298,714,299	335,569,392	1,496,404,850

* Originally identified as US 19 in the law, but due to the new relocation will now be identified as US 74.
 ** Originally identified as US 52 in the law, but will be identified as I-74(NC 752) from now on.
 *** Termini of some projects have been amended.

HOUSE PAGES:

Name:

Myers Fuller

Town:

Dare Co.

Sponsor:

Culpepper

Name:

Gervias Taylor

Town:

Dare Co.

Sponsor:

Culpepper

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

3/6/01

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Wayne Stulliey	NC DOT
Mike Stulliey	NC DOT Program Development
Chad Hough	CBA BUREAU
Elder Moon	CBA Bureau BK
Calvin Leckett	NC DOT Program Development
John Long	Martin Marilla McDaniel
Doug Howey	NCPMA
Doug Lassiter	Lassiter Enterprises
Mentula Benton	NC DOT
Giles Perry	NCGA
Greg Milled	CPM
Jane D'Ignazio	NC DOT
Ruth Sappie	NC DOT
James Rammquist	NCPTA
Casey Jones	Danville
Beau Mills	NC Metro Coalition
Gary Harris	NCPMA
Lynn Banner	NCD
Ed Coburn	Consulting Engineers Council / NC
John Lyman	NC State Grange
Michelle Barber	CADA
Doris Deane	NC CWA Political Council
Bill W. James	Teamster Local 391
Fernand Sheehan	NCGA

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 7, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford

Representative ~~Nelson Cole~~, *presiding Joanne Bowie*

Senator Wib Gulley

The Transportation Improvement Program (*continued*)

Calvin Leggett, Manager, Program Development Branch, DOT

Report on Toll Roads

David King, Deputy Secretary, DOT

MINUTES
JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
MARCH 7, 2001

The Joint Appropriations Subcommittee on Transportation met on Wednesday, March 7, 2001, in Room 1228/1327 of the Legislative Building at 9:00 a.m. The following members were present: Presiding Vice Chairman Joanne Bowie, Representatives Cole, Crawford, Barbee, Coates, Davis, Dockham, Gulley, McAllister, Saunders, and Sutton. Five Senate members were present. Staff to the committee, Evan Rodewald and Bob Weiss, attended. Representative Bowie introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Transportation Improvement Program

Representative Bowie introduced Calvin Leggett, DOT Program Development Branch Manager, (handouts) to complete his presentation begun on March 6. Mr. Leggett referred to Page 6 of the handout. With adjustments for inflation and cost overruns, Figure 1 shows a flat budget profile (reference single sheet handout that shows 1% growth/year). Figure 2 shows dramatic increase in vehicle miles traveled (6.7%/year) compared with population (2%/year) and state budget funds (mostly from highway use tax). Page 7 Figure 1 indicates how funding is balanced by region using the equity formula and fiscal constraints. The equity formula is based 50% on population, 25% remaining intrastate system miles, and 25% equal share, excluding loops and CMAQ funds. Page 8, Figure 1, shows allocations by region. Figure 2 gave the trust fund miles comparison of 1989 versus 2001. To date, 70% intrastate and 34% loops have been completed. The figures on Page 9 provide status of 1996 bond funds and authorizations by route for intrastate roads, loops and secondary roads. The map on Page 10 shows location of bond projects. Representative Gulley asked that a large map be provided to provide legibility. Representative Cole requested a complete description of the bond project roads. Figure 2 is a comparison of traditional funding and cash flow funding, and Mr. Leggett explained the difference. The red line indicates payout pattern that is greater at the front of projects. Page 11 shows the two-year process of TIP development. DOT is now in the review process. The goal is approval by the DOT Board in June to be effective October 2001.

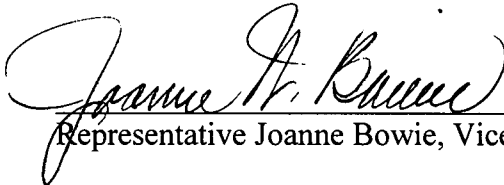
Toll Roads

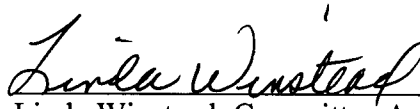
Representative Bowie introduced David King, Deputy Secretary (slides). The General Assembly authorized construction of a pilot private project and directed DOT to study the feasibility of public toll roads. Study objectives were to identify organizational structure, evaluate required legislative changes, develop guidelines for selection criteria and study methodology, and identify strategies to inform the public. The study committee looked at trends in other states and used a peer panel as a resource for information. Project selection criteria boils down to whether the road would generate enough revenue to cover

March 7, 2001

the cost of the facility. Study findings include positive experiences of other states, large unmet needs in the state, additional construction funds, no substantial legal barriers, and compatibility of DOT's centralized system. The greatest barrier is political/public opinion. There are policy issues that need to be addressed such as organization, resource flexibility, procurement of services, governance, project selection, enforcement, pricing, equity formula exemption, and debt issuance. Legislative/administrative response is needed on the policy issues. The final report will be delivered to staff as required by statute. Mr. King said the private toll project authorized has been advertised and proposals should be in by April 1.

The meeting adjourned at 9:50 a.m.


Representative Joanne Bowie, Vice-Chair


Linda Winstead, Committee Assistant

Transportation Financing

TIP Budget Issues

Calvin W. Leggett, P.E.
Manager, Program Development Branch



Key components of taxes and fees

- **State gasoline tax: 23.35¢/gal**
 - 17.5¢/gal. + 7% average wholesale price + 0.25¢ inspection fee
 - inspection fee is for gasoline quality control functions, tax accounting, and other non-NC DOT functions
 - state gas tax adjusted every six months; above is for second half of FY 2000
 - state gas tax includes gasoline, diesel, and all liquid alcohol blends

- **Highway Use Tax**
 - 3% of retail value of a motor vehicle (up to \$1,000 for trucks and \$1,500 for cars)
 - 3-8% of gross receipts for lease or rental of motor vehicles
 - \$1,000-1,500 maximums for same person continuous leases/rentals

- **Fees / Other**
 - Licenses, Registrations, Inspections, Permits
 - Penalties, Interest



State Revenue Sources and Distributions of Funds

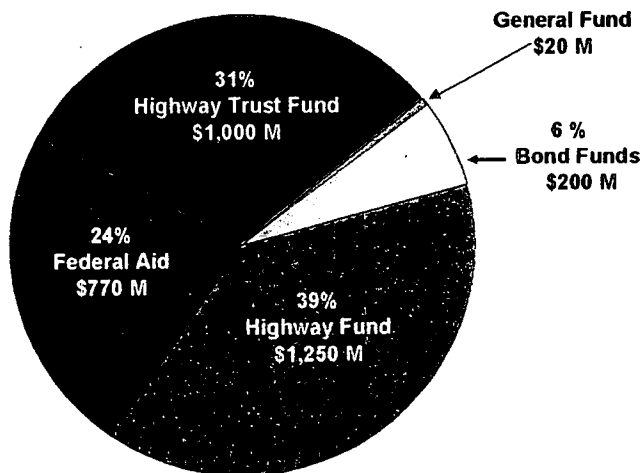
Source	Revenue received	Highway Fund	Highway Trust Fund
Gasoline tax	\$1,042,000,000	\$781,000,000	\$261,000,000
Highway use tax	\$545,000,000		\$545,000,000
Licenses / registrations / Permits / other fees	\$775,000,000	\$384,000,000	\$391,000,000

NOTE: FY 2000 data shown for illustration purposes

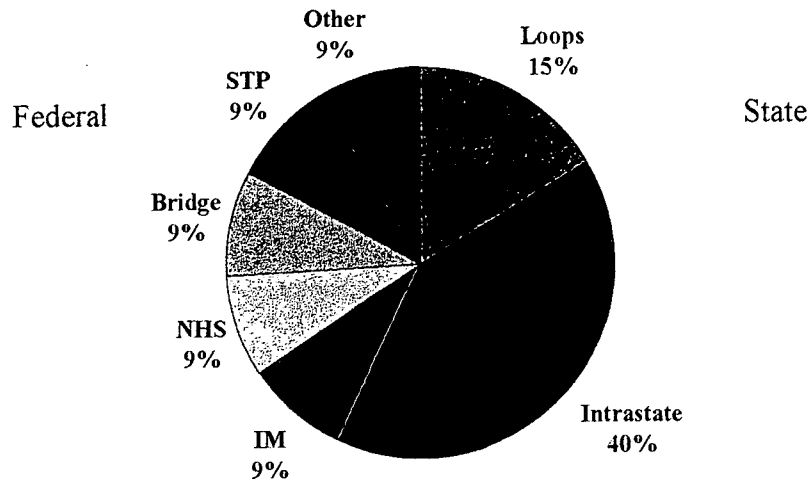


2000-01 Major Sources of Funding

Total \$3.2 Billion

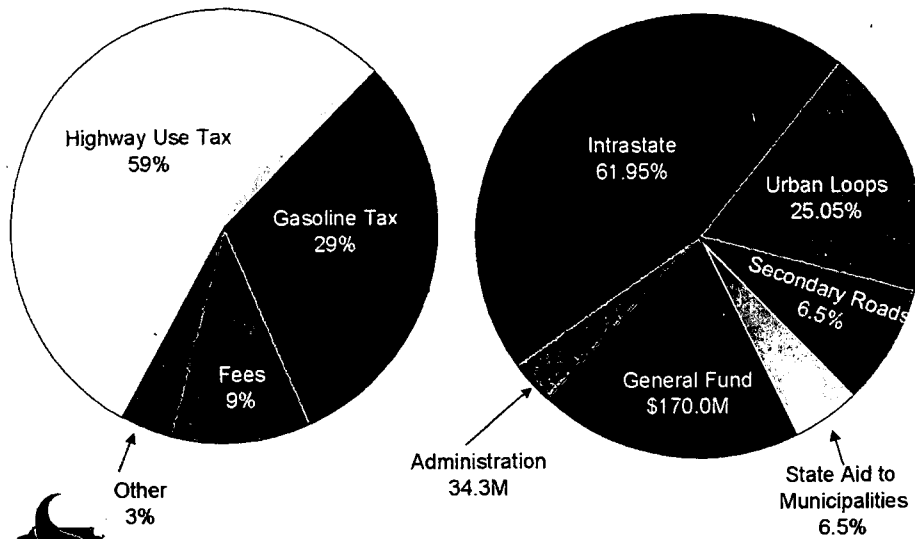


Funding Categories



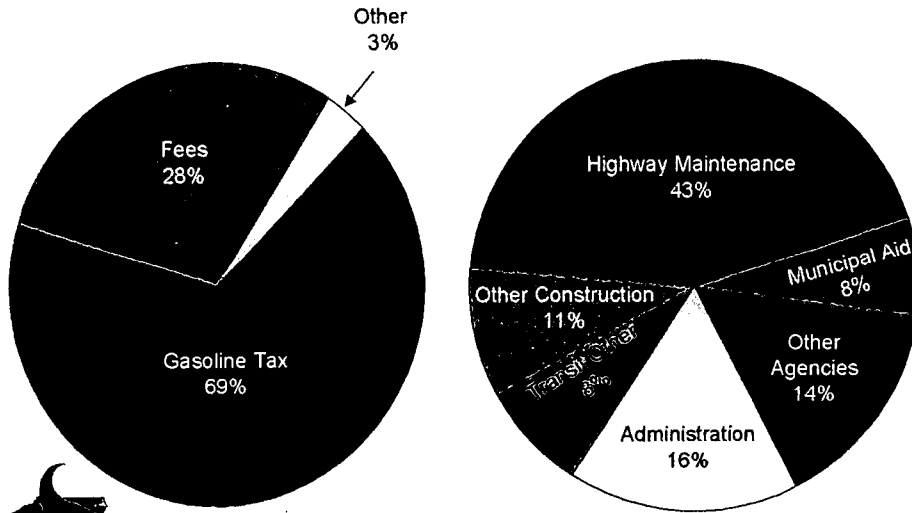
Highway Trust Fund 2000-01

(Total Funding = \$1 Billion)

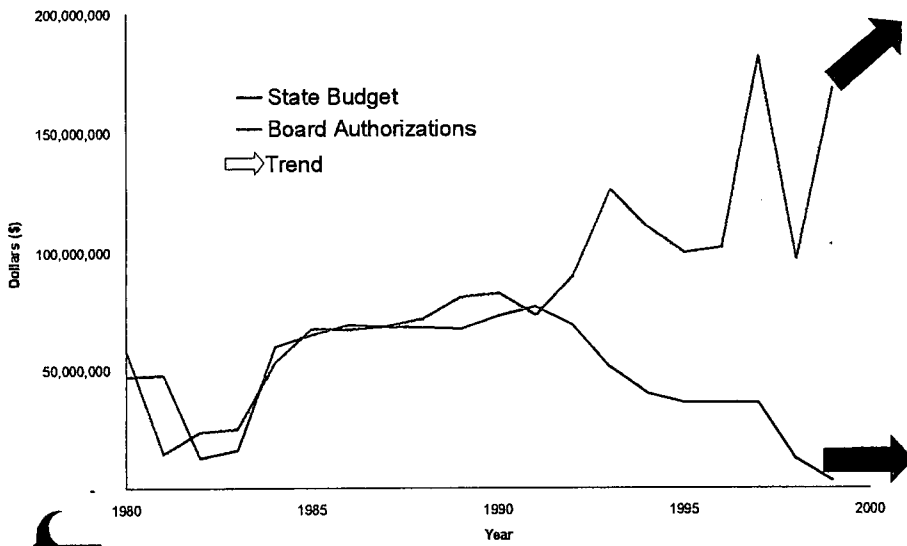


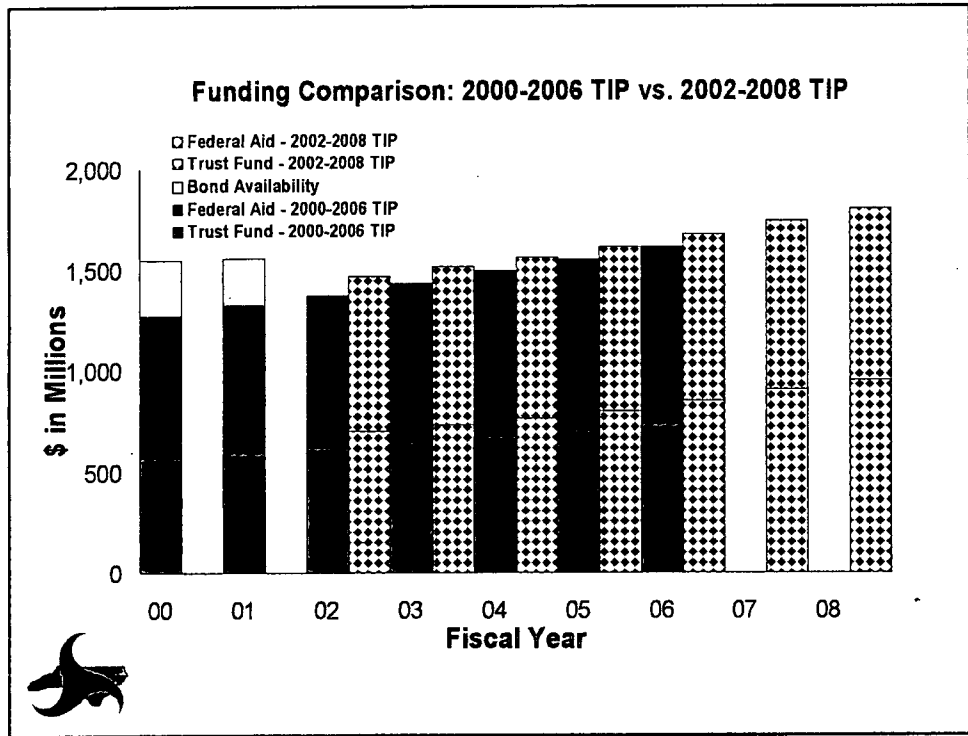
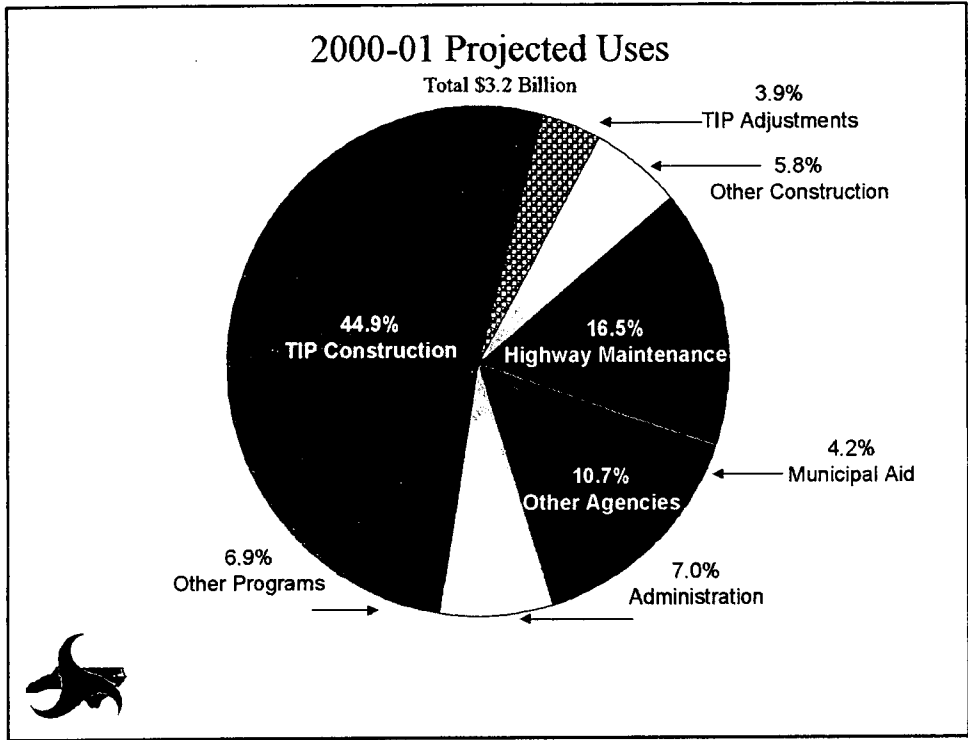
Highway Fund for 2000-01

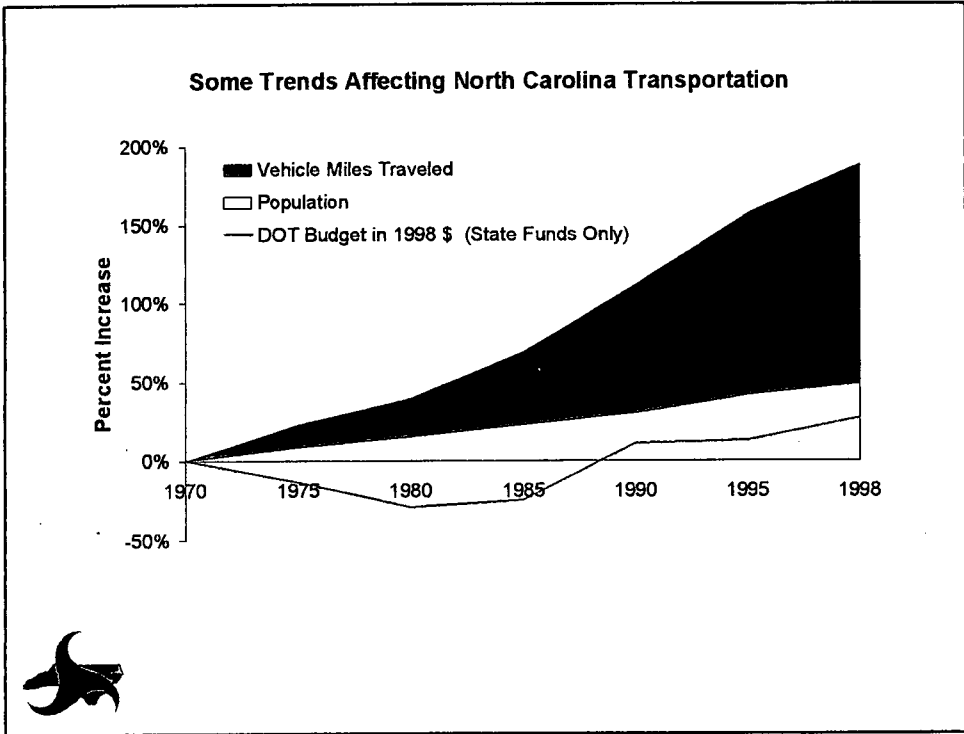
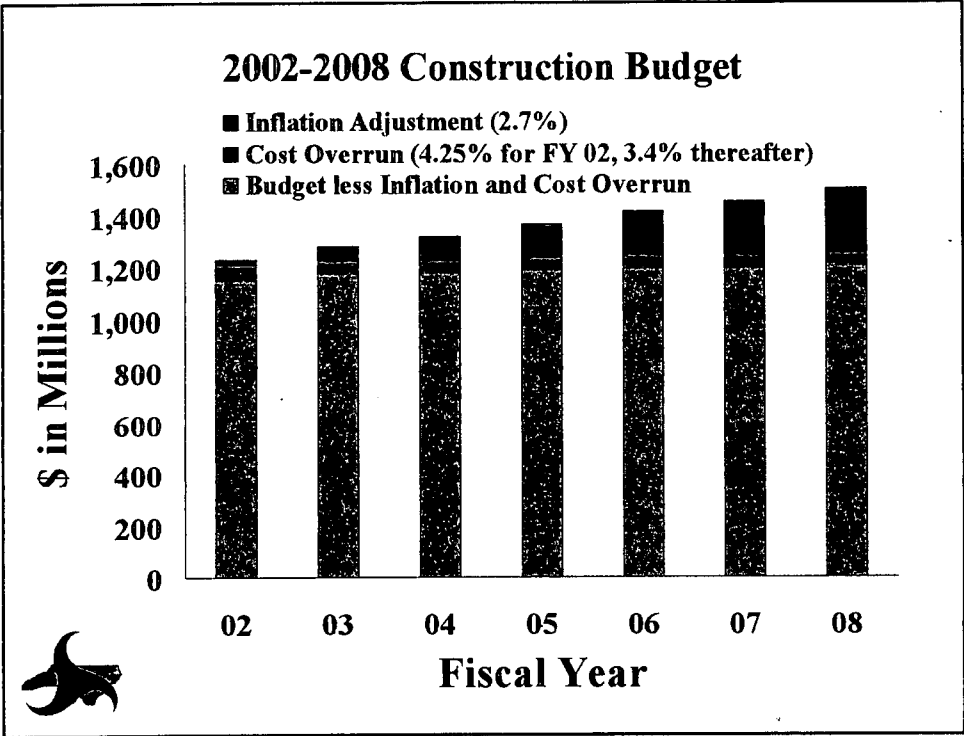
(Total Funding = \$1.25 Billion)



Federal-Aid Match







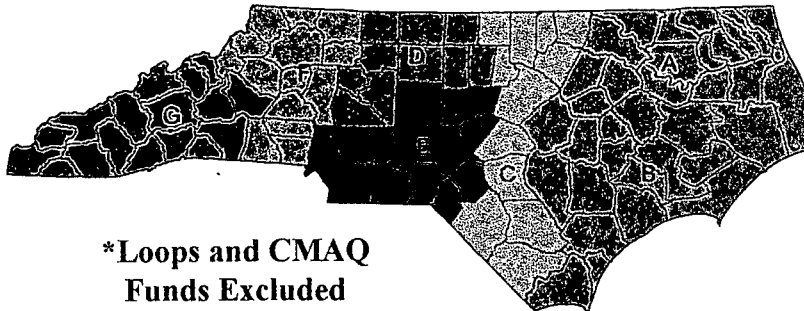
Funding Balance

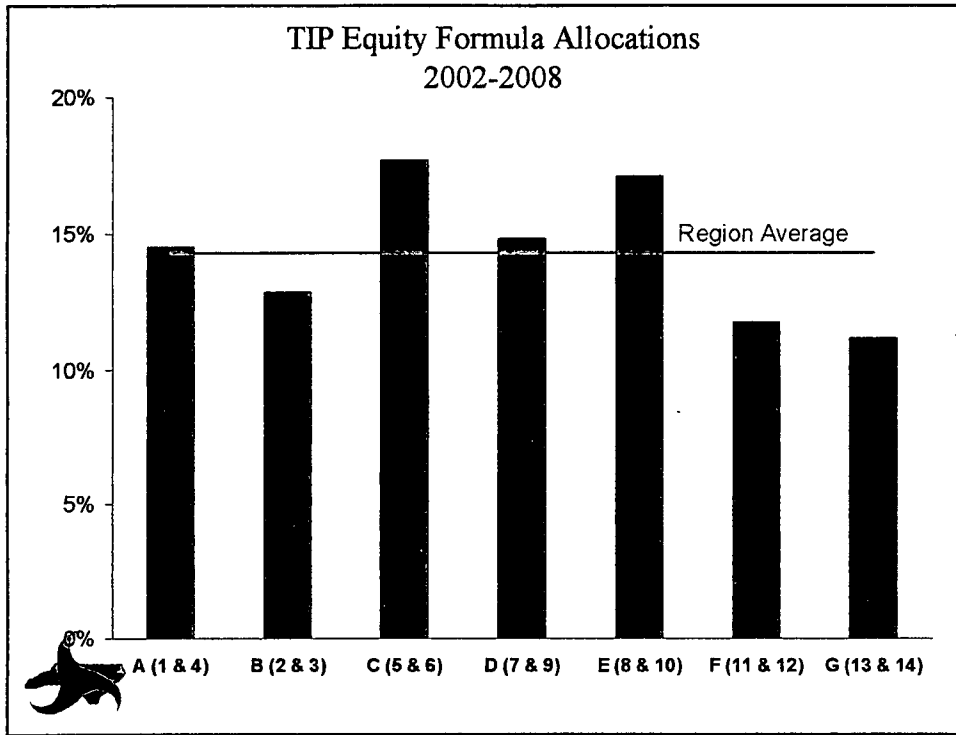
Year	2002	2003	2004	2005	2006	2007	2008	Total
Region								
A								▶
B								▶
C								▶
D								▶
E								▶
F								▶
G								▶
Total	▼	▼	▼	▼	▼	▼	▼	



Equity Formula

50% POPULATION OF REGION AS PERCENT OF STATE	25% REMAINING INTRASTATE SYSTEM MILES	25% Equal Share
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Trust Fund Progress

	Intrastate	% of System	Loops	% of System
1989 status				
Total system miles	3600	100	218	100
Miles already complete in 1989	1800	50	0	0
Estimated total miles to complete	1800	50	218	100
Estimated cost to complete	\$5.33 billion		\$2.11 billion	
Expenditures per mile	\$3.0 million		\$9.7 million	
Funds authorized as of FY 2000	\$3.77 billion		\$1.50 billion	
2001 status				
Total miles complete as of FY 2000	2502	70	74	34
Remaining miles to complete	1098	30	144	66
Estimated remaining costs (does not include preliminary engineering)	\$6.28 billion		\$2.35 billion	
Projected cost per mile	\$5.7 million		\$16.3 million	

1996 Bond Fund Authorizations - summary

Total Bond Program:	\$950,000,000
Total Authorizations to Date:	\$893,600,000
Total Balance Remaining:	\$56,400,000



Bond Fund Authorizations through March 2001

INTRASTATE

Route	Authorizations To Date
US 17	\$19,800,000
US 264	\$12,700,000
US 74	\$20,300,000
US 421	\$36,900,000
140	\$55,400,000
185	\$19,100,000
NC 87	\$26,000,000
US 70	\$10,900,000
NC 24	\$2,500,000
NC 24-27	\$7,600,000
US 64	\$47,500,000
US 220	\$3,600,000
US 221	\$18,300,000
US 158-NC 34	\$2,700,000
Total to date:	\$283,500,000
Remaining balance:	\$16,500,000

LOOPS

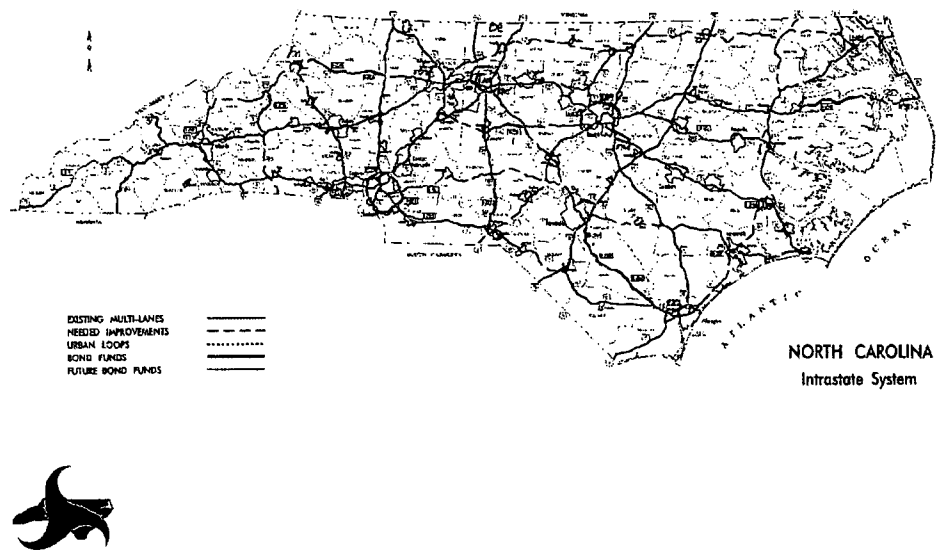
Route	Authorizations To Date
Raleigh Outer Loop	\$98,800,000
Charlotte Outer Loop	\$147,700,000
Greensboro Outer Loop	\$86,300,000
Wilmington Bypass	\$126,800,000
Asheville Loop	\$300,000
Winston-Salem Beltway	\$5,000,000
Total to date:	\$464,800,000
Remaining Balance:	\$35,200,000

SECONDARY ROADS

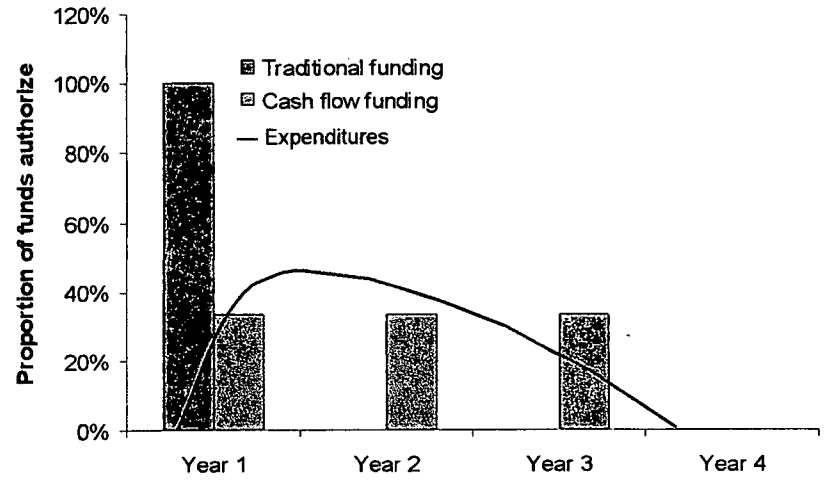
Total to date:	\$145,300,000
Remaining Balance:	\$4,700,000



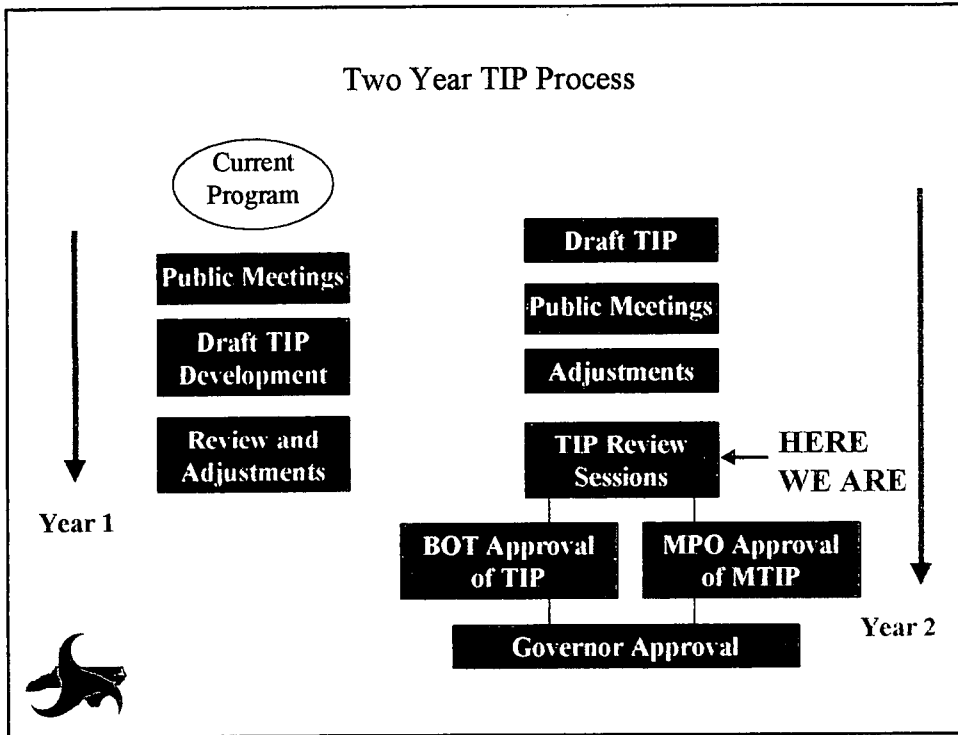
System Map - 1996 Bond Projects



Funding Method vs. Expenditures



Two Year TIP Process



Year	Population	Vehicle Miles Traveled	DOT Budget in 1998 \$ (State Funds Only)	Highway Fund Budget in 1998 \$
1970	0	0	0	-
1975	8.93%	22.87%	-13.5%	-13.5%
1980	15.65%	39.57%	-29.1%	-29.1%
1985	23.02%	68.52%	-24.5%	-24.5%
1990	30.45%	111.68%	11.2%	-16.1%
1995	41.50%	156.72%	12.4%	-28.3%
1998	48.44%	187.88%	26.7%	-26.4%
1970-1998 average	1.73% / yr	6.71% / yr	0.95% / yr	-0.94% / yr

Revenues for SFY 1999/00

GasTax :

75% to Highway Fund = \$781.02M (Excluding Inspection Fee of \$0.669M)

25% to Trust Fund = \$260.74M (Excluding Inspection Fee of \$0.223M)

Use Tax:

All to Trust Fund = \$545.27M before \$170M is transferred to General Fund

Other Fees:

Highway Fund :

Licenses, Registrations, etc.

Truck Licenses = \$59.52M

Staggered Reg. = \$144.26M

IRP = \$54.69M

Driver License = \$58.94M

Other = \$39.10M

Penalties = \$8.45M

Interest = \$18.59M

Trust Fund:

Titles Fees = \$80.88M

Interest = \$37.44M

Other = \$12.35M

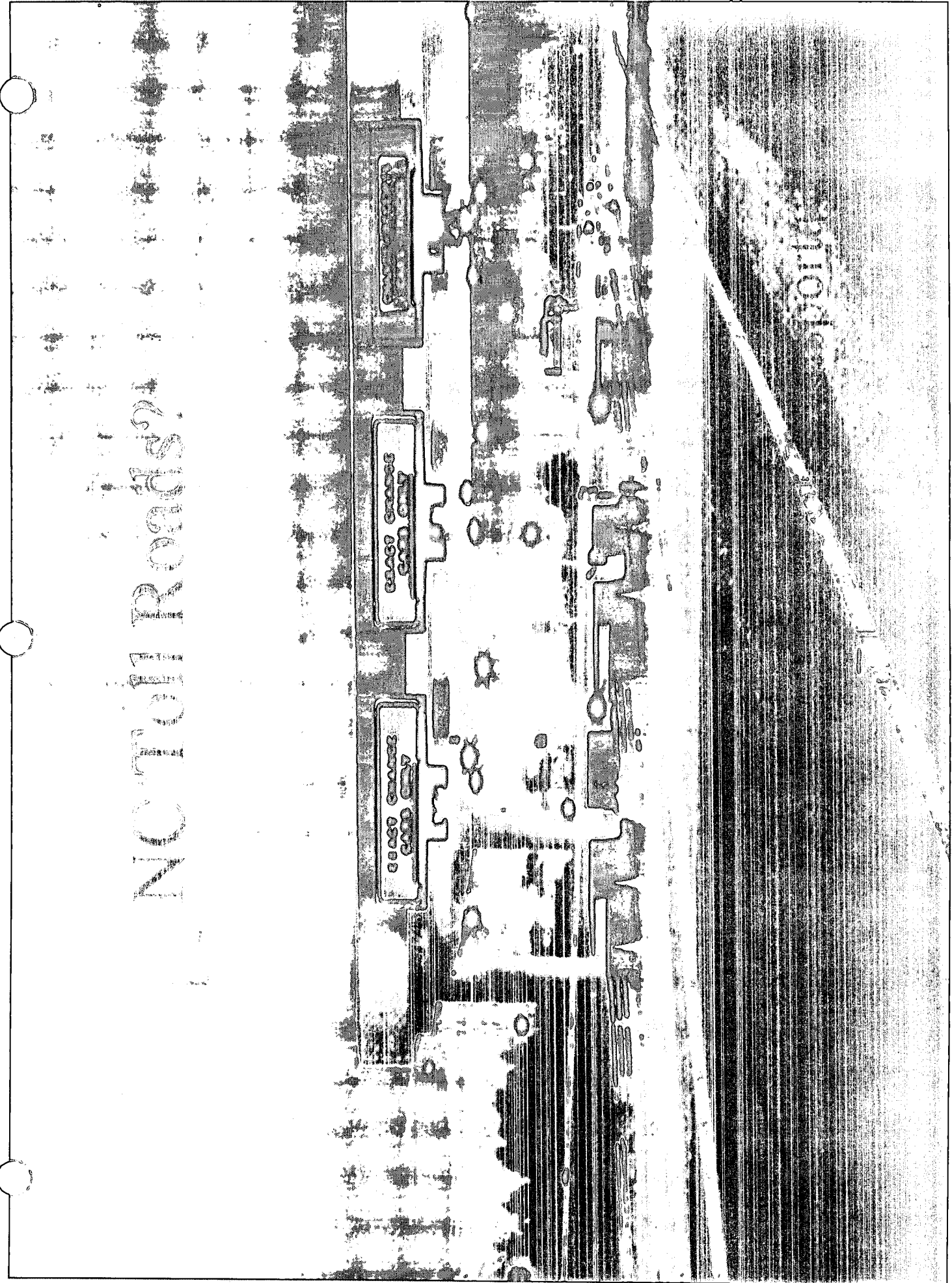
Slides
not handout

NC Toll Roads?

GRASS GRASS
CAR ONLY

GRASS GRASS
CAR ONLY

GRASS GRASS
CAR ONLY



Session Law 2000-145

“An act to authorize construction of pilot privately funded road or bridge projects funded by tolls and to direct the Department of Transportation to study the feasibility of state-owned and state-operated toll roads or bridges.”

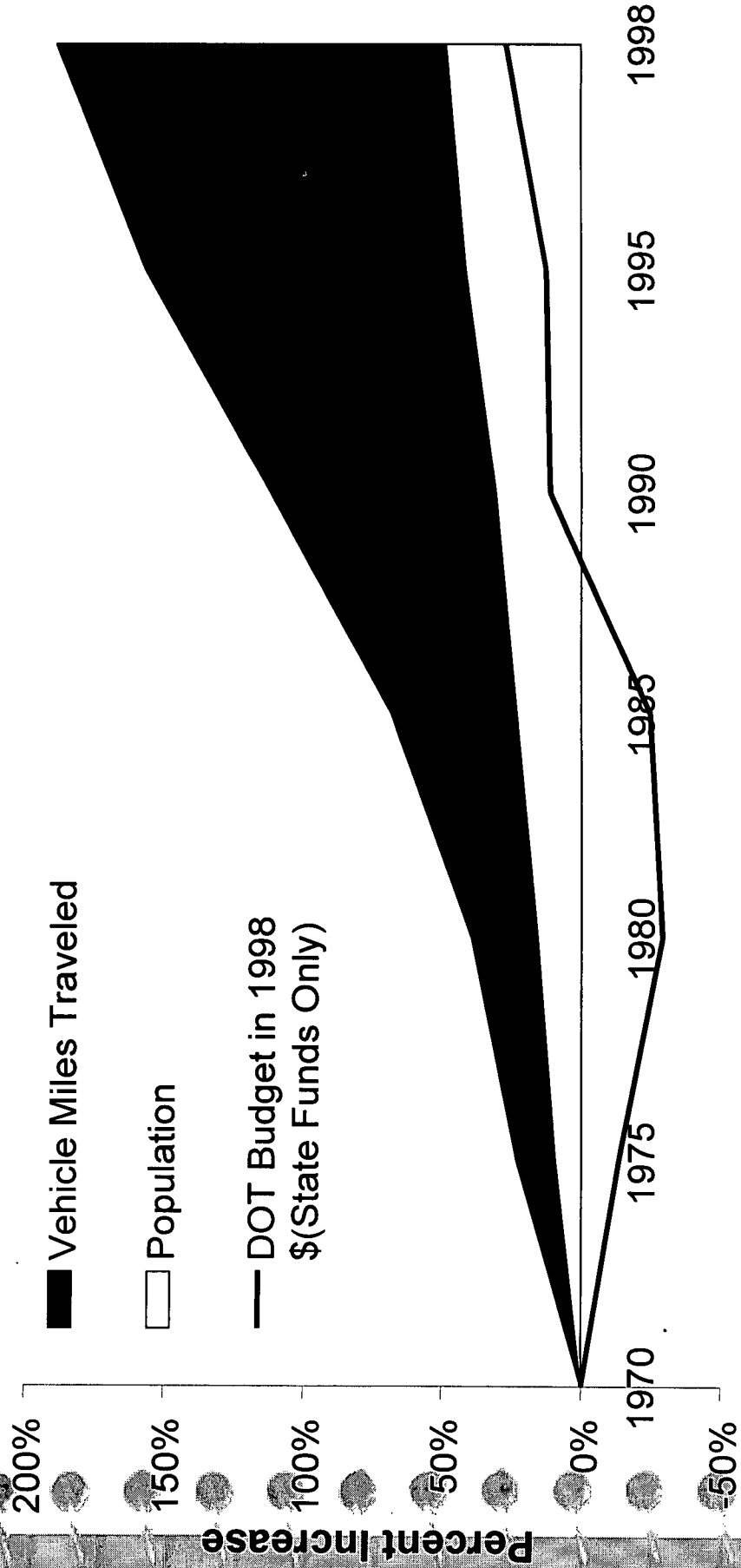
Toll Feasibility Study Objectives

- To identify appropriate organizational structure
- To evaluate required legislative changes
- To develop guidelines detailing project selection criteria and feasibility study methodology
- To identify strategies for public education

Why consider toll facilities ...

- Growing demand for transportation
- Cost to build and maintain is increasing
- Traditional revenue sources cannot keep pace, even with TEA-21
- Political reluctance to raise gas tax

Trends Affecting NC Transportation



Transportation Finance Committee

- Annual maintenance shortfall of \$300m increasing to \$500m
- \$15b for projects screened for TIP but not in current program
- \$4.1b over 20 years for Interstate improvements
- \$2.8b over 20 years for bridge replacements

Transportation Finance Committee

- \$8.6b to complete Intrastate system and urban loops
- \$30b over 20 years for projects on thoroughfare plans but not in TIP

Other States?

- Presently 31 states with toll roads and/or bridges
- Virginia
 - Dulles Toll Road, Powhite Extension
 - Dulles Greenway
 - Pocahontas Parkway, Chesapeake Expressway
- South Carolina
 - Cross Island Parkway
 - Southern Connector

Other States?

- Georgia
 - Georgia 400 Extension
- Texas
 - Texas Turnpike Authority
 - North Texas Turnpike Authority
 - Harris County Toll Road Authority
- Florida
 - Florida Turnpike
 - Expressway Authorities

Project Selection Criteria

- Types of Feasibility Studies:
- Preliminary Screening- Identify Candidate Projects
- Conceptual Feasibility- determine economic/financial viability
- Investments Grade- Basis for project financing

Peer Panel

Neil Schuster, IBTTA

Phil Russell, TTA

Jerry Hiebert, NTTA

Bill Thorp, Fla Turnpike

Servando Parapar, MDX

Bob Paulsen, PBS&J (facilitator)

Legal Context

- NC Constitution neither prevents nor promotes toll roads
- NCDOT has limited authority to use design/build contracting
- Equity formula considerations may create issues

Political Context

- Political opinions on tolling are mixed
- Local buy-in is critical for political support
- Unrealistic expectation that toll roads will be self-sufficient
- Lack of awareness about NCDOT funding shortfalls

Financial Context

- Likely need for federal/state/local support
- Motor fuel revenues flat, other sources growing
- NCDOT has experience with debt, but NC is mostly a pay-as-you-go state
- Benefits of cross-collateralization
- Use of SIB

Study Findings

- Many states/regions continue to rely on toll funding for building new roadways
- NC currently has large, unmet need for highway improvements (TFC)
- Additional construction funding will be needed, even with TFC recommendations

Study Findings

- No insurmountable legal or other institutional barriers to toll funding of highway construction
- NCDOT's centralized system not incompatible with toll-funded construction and operation
- Greatest barriers: political/public opinion

Feasibility Conclusions

- Toll funding of highway construction is administratively & legally feasible in NC
- Toll funding of highway construction can address critical needs
- Toll program could speed TIP implementation, by funding some projects with tolls (vs. TF)
- Start-up toll program will require cash infusion

Toll Policy Issues

- Organization Issues
- Flexibility to use DOT resources
- Innovative procurement of services and project delivery
- Governance
- Project selection

Toll Policy Issues

- Funding options (mixing “traditional” funds with tolls)
- Enforcement authority
- Need for parallel routes
- Pricing authority
- Equity formula exemption
- Debt issuance authority

Legislative checklist

Needed legislative/administrative response to
policy issues

- Governance
- Relief from Dist'n
Formula
- Bond Authority
- Toll Policy Authority
- Eminent Domain
- Project Delivery
Flexibility
- Project Selection
Flexibility
- Enforcement Authority

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

3-7-01

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
VL McBride	TKA
Melvin Celford	OSBM
Merriaco Benton	NC DOT
Danny Rogers	NC DOT
Wayne Stallings	NC DOT
Lynn Cooper	CSK
Bill Clinton	Harlem, NY
BERRY Jenkins	CARRIAGES AGC
James R. Ruggles	NCPFA
Gene DiGeronimo	NC DOT
Matt Willoughby	NCUN
Mary Corinella	REBIC
DAVID KING	NC DOT
Brian Francis	Meck City
Wendy Graf	NCGA Research
Emily Fulghum	Smith Anderson
FRED TAYLOR	WKAL-TV
Charles	CAH
Ken Melton	Alley Associates
Mike Staley	NC DOT Program Development
John Long	MARIE MARIE
Kenneth Miller	More + Van Allen

2001

**JOINT
APPROPRIATIONS
SUBCOMMITTEE ON
TRANSPORTATION**

MINUTES

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 15, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

The Governor's Budget Proposals for Transportation
Wayne Stallings, Chief Financial Officer, DOT

Joint Appropriations Subcommittee on Transportation
Thursday, March 15, 2001
9:00 AM
Room 1228, Legislative Building

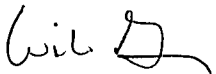
MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Thursday, March 15, 2001 in Room 1228 of the Legislative Building. Six Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Barbee, Blue, Coates, Davis, Dockham, Gulley, McAllister, Saunders and Sutton. Senator Wib Gulley presided.

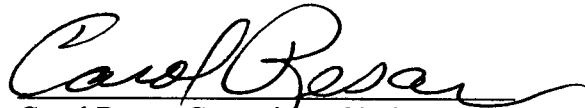
Representative Crawford started the meeting by asking Mr. Wayne Stallings, Chief Financial Officer of Department of Transportation (DOT) to review for the Committee Governor Easley's budget proposal for DOT (see Handout #1). Mr. Stallings reviewed the details of the \$3.1 billion budget proposals found in Table 7 on page 145 of handout. Also, he gave the details for the \$10 million proposed capital improvements budget. Senator Shaw asked about the cash flow study and Evan Rodewald, Fiscal Analyst said the report was due at the end of March. Senator Shaw asked if the money not yet spent was invested and earning interest. Mr. Stallings replied that it was, but if the cash flow study recommendations were implemented, then less money would be held and interest earnings would decrease. A discussion followed regarding the road maintenance money and the shortfall for maintenance. The Committee asked staff for a breakdown of how much money is left in DOT accounts encumbered and not carried over into the \$161 million Reserves figure on page 149.

The expansion items begin on page 150 of handout, but Mr. Stallings told the Committee that the first five items were not really expansion items but continuation items. The first ten items for transportation construction and maintenance total \$145 million. Mr. Stallings then told the Committee that the requests from Department of Motor Vehicles (DMV), totaling \$6.3 million, have been deferred until 2002-03. Mr. Stallings stopped his review after the DMV expansion items.

The meeting was adjourned at 10:00 am.



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

Handout #1

N.C. State Budget, 2001-03: Summary of Recommendations

V. Department of Transportation

A. Transportation Program

Funds totaling \$3.2 billion for each year of the 2001-03 biennium are required to support North Carolina's Transportation Program. Approximately \$1.3 billion of this amount or 41% is provided from the traditional Highway Fund. Highway Trust Fund revenue adds \$988.7 million and \$1.0 billion respectively including the annual transfer of \$200.0 million to the General Fund. The Highway Trust Fund represents 32% of the program. Other state funds include General Fund support totaling approximately \$10.5 million in 2001-02 and \$14.5 million in 2002-03 and departmental receipts of \$38.6 million each year. Federal funds total \$810.0 million and \$825.4 million respectively.

Summaries of the total Transportation Program showing the source of funding and the activity supported are included in Tables 7 and 8, North Carolina Transportation Program, 2001-02 and 2002-03. More detailed information follows in this section with regard to funding from the Highway Fund and the Highway Trust Fund.

Table 7
North Carolina Transportation Program, 2001-02

Budget Code		Highway Fund	Highway Trust Fund	Department Receipts	Federal Funds	General Fund	Total
84210	Department of Transportation Administration	\$ 69,195,895	\$ 4,899,059	\$ 601,266	\$ -	\$ -	\$ 74,696,220
	Division of Highways						
84220	Administration	28,801,650	17,729,047	3,685,770	-	-	50,216,467
84230	Construction	122,562,000	709,077,395	-	770,316,417	-	1,601,955,812
84230	Maintenance	568,624,441	-	-	-	-	568,624,441
84230	Planning and Research	3,959,649	-	-	11,554,746	-	15,514,395
84230	OSHA Program	425,000	-	-	-	-	425,000
84230	Ferry Operations	19,747,132	-	-	-	-	19,747,132
	State Aid						
84230	Municipalities	87,462,000	46,853,179	-	-	-	134,315,179
84230	Public Transportation	54,746,921	-	-	8,000,000	-	62,746,921
84230	Airports	5,000,000	-	-	15,478,062	6,609,165	27,087,227
84230	Railroads	36,507,088	-	-	-	-	36,507,088
84240	Governor's Highway Safety	357,277	-	-	4,601,448	-	4,958,725
84260	Division of Motor Vehicles	101,969,376	4,299,071	7,403,455	-	-	113,671,902
84270	Other State Agencies	193,961,571	-	-	-	3,842,717	197,804,288
84270	Reserves and Transfers	14,820,000	-	-	-	-	14,820,000
84290	Transfer to General Fund	-	200,000,000	-	-	-	200,000,000
84290	Committed Trust Fund Admin.	-	-	26,927,177	-	-	26,927,177
84290	Uncommitted Trust Fund Admin.	-	5,865,249	-	-	-	5,865,249
	Total Operating	\$ 1,308,140,000	\$988,723,000	\$ 38,617,668	\$ 809,950,673	\$ 10,451,882	\$3,160,883,223
84230	Capital Improvements	\$ 10,000,000	-	-	-	-	10,000,000
	Grand Total	\$ 1,318,140,000	\$988,723,000	\$ 38,617,668	\$ 809,950,673	\$ 10,451,882	\$3,165,883,223

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Transportation Program - Continued

Table 8
 North Carolina Transportation Program, 2002-03

Budget Code		Highway Fund	Highway Trust Fund	Department Receipts	Federal Funds	General Fund	Total
	Department of Transportation						
84210	Administration	\$ 69,195,895	\$ 4,899,059	\$ 601,266	\$ -	\$ -	\$ 74,696,220
	Division of Highways						
84220	Administration	28,801,650	17,729,047	3,685,770	-	-	50,216,467
84230	Construction	124,487,000	747,955,240	-	785,585,301	-	1,658,027,541
84230	Maintenance	561,601,470	-	-	-	-	561,601,470
84230	Planning and Research	3,959,649	-	-	11,783,779	-	15,743,428
84230	OSHA Program	425,000	-	-	-	-	425,000
84230	Ferry Operations	19,747,132	-	-	-	-	19,747,132
	State Aid						
84230	Municipalities	89,387,000	49,487,571	-	-	-	138,874,571
84230	Public Transportation	54,746,921	-	-	8,000,000	-	62,746,921
84230	Airports	-	-	-	15,478,062	12,250,000	27,728,062
84230	Railroads	36,507,088	-	-	-	-	36,507,088
84240	Governor's Highway Safety	357,277	-	-	4,601,448	-	4,958,725
84260	Division of Motor Vehicles	108,325,115	4,299,071	7,403,455	-	-	120,027,641
84270	Other State Agencies	197,358,803	-	-	-	2,236,443	199,595,246
84270	Reserves and Transfers	16,820,000	-	-	-	-	16,820,000
84290	Transfer to General Fund	-	200,000,000	-	-	-	200,000,000
84290	Committed Trust Fund Admin.	-	-	26,927,177	-	-	26,927,177
84290	Uncommitted Trust Fund Admin.	-	7,904,012	-	-	-	7,904,012
	Total Operating	\$ 1,311,720,000	\$1,032,274,000	\$ 38,617,668	\$ 825,448,590	\$ 14,486,443	\$3,222,546,701
	Grand Total	\$ 1,311,720,000	\$1,032,274,000	\$ 38,617,668	\$ 825,448,590	\$ 14,486,443	\$3,222,546,701

**N.C. State Budget, 2001-03: Summary of Recommendations
Transportation - Continued**

B. Highway Fund

The Highway Fund receives support from three sources: 1) motor fuels tax collections (75% of which is deposited in the Highway Fund with the remaining 25% deposited in the Highway Trust Fund); 2) licenses and fee collections; and 3) interest income earned by the State Treasurer. Motor fuel taxes comprise 68% of Highway Fund revenue, with 30% coming from licenses and fees, and 2% from Treasurer's investments.

1. Revenue

As a result of high motor fuel prices, Highway Fund revenue is estimated to total \$1.25 billion in fiscal year 2000-01, representing an increase of 7.2%. A weakening economy will lead to a slight decrease in motor fuel consumption. However, the 0.5% decline will be more than countered by increased prices, as motor fuel tax collections are projected to grow by 9.3%, and total \$866.9 million. License and fee collections are projected to total \$365.5 million, representing an increase of 3.7%. Changing from four to five year renewals will result in an estimated 15.6% growth in drivers' license fees. A slowing economy is mainly responsible for an 8% decline in international registration plan revenue and slow growth in truck license fees and staggered registration fees. The other licenses and fee category will expand by 18.6%, as penalties grow significantly, and the impact of an increase in overweight fees takes effect. Investment income is anticipated to decline by 15.4% as the average cash balance of the Highway Fund declines.

High petroleum prices and a stronger economy will lead to a projected 4.4% growth of Highway Trust Fund revenue in fiscal year 2001-02, as collections total \$1.3 billion. Motor fuel tax collections are projected to total \$911.1 or a growth of 5.1%. Fuel consumption is projected to increase by 2.2%, while motor fuel prices are projected to decline slightly later in the fiscal year. License and fee collections are projected to total \$376 million, and grow by 2.9%. There are no aberrations projected to occur in the individual license and fee schedules for fiscal 2001-02. Investment income is projected to increase by a modest 3%.

Highway Fund revenue is projected to total \$1.31 billion in fiscal year 2002-03, representing a slight increase of 0.6%. Motor fuel tax collections are projected to total \$908.9 million, and decline by 0.2%, as a 2.2% increase in consumption is more than countered by declining fuel prices. License and fee collections are projected to total \$386.2 million, or a growth of 2.7%, as normal growth rates are projected for the individual schedules. Investment income is projected to increase by a modest 3%.

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation – Continued
 Highway Fund – Continued

Table 9
Highway Fund Revenue, 2001-03

	<u>2000-01</u> <u>Estimated</u>	<u>2001-02</u> <u>Projected</u>	<u>2002-03</u> <u>Projected</u>
Motor Fuels Taxes:			
Motor Fuel Tax	\$ 854,220,000	\$ 898,050,000	\$ 895,510,000
Gasoline Inspection Fee	12,600,000	12,880,000	13,240,000
Highway Use Registration Fee	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Total Motor Fuels Tax	\$ 866,940,000	\$ 911,050,000	\$ 908,870,000
% Change	9.3%	5.1%	-0.2%
Licenses and Fees:			
Staggered Registration Plan	\$ 146,000,000	\$ 151,830,000	\$ 157,160,000
Driver Licenses	68,140,000	68,550,000	70,260,000
Truck Plates	61,010,000	61,930,000	63,160,000
International Registration Plan	50,300,000	52,820,000	53,870,000
Other Licenses and Fees	<u>40,020,000</u>	<u>40,900,000</u>	<u>41,720,000</u>
Total Licenses and Fees	\$ 365,470,000	\$ 376,030,000	\$ 386,170,000
% Change	3.7%	2.9%	2.7%
Investment Income	\$ 15,730,000	\$ 16,200,000	\$ 16,680,000
% Change	<u>(15.4%)</u>	<u>3.0%</u>	<u>3.0%</u>
Total Highway Fund Revenue	\$1,248,140,000	\$1,303,280,000	\$1,311,720,000
% Change	7.2%	4.4%	0.6%

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Fund - Continued

2. Condition of the Highway Fund

Estimated reversions from unused 2000-01 appropriations, in the amount of \$6,750,000, are expected to be available to support 2001-02 appropriations. Revenue is expected to exceed the authorized budget by \$8,110,000 for the same period. There is no beginning credit balance expected to be available for 2002-03.

Table 10, Condition of the Highway Fund, summarizes the budgeted sources and uses of funds for 2001-02 and 2002-03.

Table 10
 Condition of the Highway Fund, 2001-03

	<u>2000-01 Estimated</u>	<u>2001-02 Recommended</u>	<u>2002-03 Recommended</u>
Beginning Credit Balance:			
Appropriation			
Reversions	\$ -	\$ 6,750,000	\$ -
Overrealized Revenue	6,980,000	8,110,000	-
Subtotal	<u>\$ 6,980,000</u>	<u>\$ 14,860,000</u>	<u>\$ -</u>
Appropriation			
Reserves	\$ 161,061,019	\$ -	\$ -
State Highway Revenue	1,248,140,000	1,303,280,000	1,311,720,000
Total Availability	<u>\$ 1,416,181,019</u>	<u>\$ 1,318,140,000</u>	<u>\$ 1,311,720,000</u>

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation – Continued
 Highway Fund - Continued

Department of Transportation

Total Recommended Appropriations

	<u>2001-02</u>	<u>2002-03</u>
1. <u>Recommended Continuation Budget</u>	\$1,204,477,503	\$1,211,720,525
2. <u>Recommended Expansion</u>	<u>113,662,497</u>	<u>99,999,475</u>
3. <u>RECOMMENDED BUDGET</u>	<u>\$1,318,140,000</u>	<u>\$1,311,720,000</u>

3. Highway Fund Budget Changes

Recommended Expansion:

	<u>2001-02</u>	<u>2002-03</u>
Transportation Construction and Maintenance – 84230		
1. Continue Highway Maintenance Funding at Current Level For fiscal year 2000-01, the Highway Maintenance budget was increased by \$37,277,366 of which \$31 million was nonrecurring funds. It is recommended the nonrecurring portion be restored for the 2001-03 biennium in an effort to help reduce the maintenance backlog.	\$ 31,000,000	\$ 31,000,000
2. Continue Contract Resurfacing Funding at Current Level For fiscal year 2000-01, the Contract Resurfacing budget was increased by \$27,577,486 of which \$7 million was nonrecurring funds. It is recommended the nonrecurring portion be restored for the 2001-03 biennium in an effort to help reduce the resurfacing backlog.	\$ 7,000,000	\$ 7,000,000

N.C. State Budget, 2001-03: Summary of Recommendations
Transportation - Continued
Highway Fund - Continued

Recommended Expansion - Continued:

		<u>2001-02</u>	<u>2002-03</u>
Transportation Construction and Maintenance			
- 84230 - Continued			
3.	<p>Continue Public Transportation Funding at Current Level For fiscal year 2000-01, Public Transportation funding was increased by \$23.4 million of which \$15,621,993 was nonrecurring. It is recommended the nonrecurring portion be restored to continue the funding for Public Transportation at the current level.</p>	\$ 15,621,993	\$ 15,621,993
4.	<p>Continue Rail Program Funding at Current Level Highway Fund appropriations for the Rail Program were increased for fiscal year 2000-01 in the amount of \$9,407,088 in nonrecurring funds. Also, \$3,525,000 in recurring appropriations was changed to nonrecurring. In an effort to meet the needs of the Rail Program, it is recommended the nonrecurring funds be restored and continued for the 2001-03 biennium.</p>	\$ 12,932,088	\$ 12,932,088
5.	<p>Funds to Support Departmental Capital Needs Many of the hundreds of facilities owned by the Department of Transportation statewide are old and dilapidated. The department's capital improvement plan for replacement, repair and renovation of these facilities indicates that \$15 million per year is necessary to keep these facilities safe and usable. In fiscal year 1999-00, no capital funding was provided, and in fiscal year 2000-01 only \$9 million was appropriated. It is recommended that \$10 million in Highway Fund appropriations be provided for fiscal year 2001-02.</p>	\$ 10,000,000	\$ -

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Fund - Continued

Recommended Expansion – Continued:

	<u>2001-02</u>	<u>2002-03</u>
Transportation Construction and Maintenance – 84230 – Continued		
6. Increase Highway Maintenance Funding In an effort to help meet the increased demand for urban, primary, and secondary highway maintenance, it is recommended that funding be increased in each of the maintenance areas. This increase in funding is needed to keep our roadways in good condition for the motoring public and to protect the state's investment in its roadway infrastructure.	\$ 24,663,416	\$ 17,640,445
7. Increase Contract Resurfacing Funding Additional highway fund appropriations are recommended for contract resurfacing. This appropriation will help meet the demand for good highways throughout our state.	\$ 10,000,000	\$ 10,000,000
8. Increase Public Transportation Funding In 1998, the General Assembly directed the Department of Transportation to spend \$10 million in flexible federal funds for public transportation and rail projects. The \$10 million was allocated from the Congestion Mitigation Air Quality (CMAQ) program. CMAQ funds can only be used in certain areas of the state. To continue to meet the public transportation needs, it is recommended that Highway Fund appropriations be provided.	\$ 14,000,000	\$ 14,000,000

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Fund - Continued

Recommended Expansion - Continued:

	<u>2001-02</u>	<u>2002-03</u>
Transportation Construction and Maintenance - 84230 - Continued		
9. Funds to Acquire Right of Way for Charlotte Intermodal Station Highway Fund appropriations are recommended to provide for the acquisition of right of way for the future downtown intermodal station in Charlotte, North Carolina.	\$ 15,000,000	\$ 15,000,000
10. Airport Grants It is recommended that \$5 million in Highway Fund appropriations be provided to support airport grants for fiscal year 2001-02 only.	\$ 5,000,000	\$ -
Total Transportation Construction and Maintenance	\$ 145,217,497	\$ 123,194,526
 Division of Motor Vehicles - 84260		
11. Funds to Support the Commercial Vehicle Information Systems and Networks In an effort to meet Federal Level I requirements for electronic screening and to bring internet credentialing and safety systems into compliance, an appropriation from the Highway Fund is recommended for fiscal year 2002-03.	\$ -	\$ 5,773,100

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Fund - Continued

Recommended Expansion - Continued:

	<u>2001-02</u>	<u>2002-03</u>
Division of Motor Vehicles - 84260 - Continued		
12. Funds to Support the Vehicle Registration Customer Identification Merge		
The purpose of the Vehicle Registration Customer Identification merge project is to combine the records of customers who have more than one customer identification in the Division of Motor Vehicle's Enterprise Database. The merge will require ITS resources to analyze user requirements and design, so customer identification information can be effectively utilized by Vehicle Registration, Drivers License, Enforcement and Crash personnel. Highway Fund appropriations are recommended to perform the merge of these records in fiscal year 2002-03.	\$ -	\$ 480,000
13. Increase in Staffing for the School Bus and Traffic Safety Program		
The Division of Motor Vehicles is responsible for overseeing motor vehicle safety throughout the state. The division also has the responsibility for training and certification of drivers for more than 13,000 public school buses operated daily across our state. The School Bus and Traffic Safety Section currently employs 84 driver education specialists, each of whom is responsible for the training of drivers and substitute drivers. To fully meet the training needs across the state, additional funding is recommended to support two additional driver education specialist positions, one processing assistant position and appropriate operating costs in fiscal year 2002-03.	\$ -	\$ 106,849
Number of Positions		3.0
Total Division of Motor Vehicles	\$ -	\$ 6,359,949
Number of Positions		3.0

N.C. State Budget, 2001-03: Summary of Recommendations
Transportation - Continued
Highway Fund - Continued

Recommended Expansion - Continued:

	<u>2001-02</u>	<u>2002-03</u>
Reserves and Transfers - 84270		
14. State Health Plan		
An increase in the appropriation to the Teachers' and State Employees' Comprehensive Major Medical Plan is recommended for each year of the biennium. The Plan, including its prepaid alternatives through health maintenance organizations (HMOs), will require additional Highway Fund support for the 2001-03 biennium. During the 2001 Session the Health Plan Administrator will present cost containment and other modifications for consideration by the General Assembly. The appropriation will be used for premiums paid by employing agencies for active employees and retired employees.	\$ 7,000,000	\$ 9,000,000
15. Legislative Salary Increase		
A 2% recurring pay increase, to be distributed to all employees paid from the Highway Fund, is recommended.	\$ 8,600,000	\$ 8,600,000
16. Retirement Rate Adjustment		
The contribution made to the state retirement system for teachers and state employees by the state of North Carolina is recommended to be reduced from 5.33% to 2.83% for fiscal year 2001-02 and 2002-03. These funds will be redistributed to fund a 2% pay increase for state employees.	\$ (9,155,000)	\$ (9,155,000)

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Fund - Continued

Recommended Expansion - Continued:

	<u>2001-02</u>	<u>2002-03</u>
Reserves and Transfers - 84270 - Continued		
17. Eliminate Transfer to the Highway Trust Fund Per G.S. 136-176(4) highway funds are required to be transferred to the Highway Trust Fund. These funds represent revenue available from the Retirement of Refunding Bonds issued to repay Highway Construction Bonds. It is recommended that the current law be changed to eliminate this transfer allowing for additional funding of transportation programs.	\$ (38,000,000)	\$ (38,000,000)
Total Reserves and Transfers	\$ (31,555,000)	\$ (29,555,000)
Total Recommended Expansion for the Department of Transportation	\$ 113,662,497	\$ 99,999,475
Total Number of Positions	0.0	3.0

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation – Continued
 Highway Fund - Continued

Table 11
 Recommended Highway Fund Appropriations, 2001-03

	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Recommended</u>	<u>2002-03</u> <u>Recommended</u>
DOT-General Administration	\$ 69,438,703	\$ 69,195,895	\$ 69,195,895
Highway Division Administration	28,819,396	28,,801,650	28,801,650
State Match for Federal Aid-Planning and Research	2,959,649	3,959,649	3,959,649
Construction Program:			
State Secondary System	87,902,000	87,462,000	89,387,000
State Urban System	14,000,000	14,000,000	14,000,000
Discretionary Funds	10,000,000	10,000,000	10,000,000
Spot Safety Improvements	9,100,000	9,100,000	9,100,000
Access & Public Service Roads	2,000,000	2,000,000	2,000,000
Total Construction Program	\$ 123,002,000	\$ 122,562,000	\$ 124,487,000
Maintenance Program:			
Primary System	\$ 120,974,905	\$ 135,631,083	\$ 133,781,935
Secondary System	207,239,012	243,698,549	239,098,503
Urban System	39,217,374	43,765,075	43,191,298
Contract Resurfacing	135,529,734	145,529,734	145,529,734
Total Maintenance Program	\$ 502,961,025	\$ 568,624,441	\$ 561,601,470
Ferry Operations	\$ 18,747,132	\$ 19,747,132	\$ 19,747,132
State Aid to Municipalities	87,902,000	87,462,000	89,387,000
State Aid to Railroads	21,504,088	36,507,088	36,507,088
State Aid for Public Transportation	40,746,921	54,746,921	54,746,921
Asphalt Plant Cleanup	425,000	425,000	425,000
Governor's Highway Safety Program	357,449	357,277	357,277
Division of Motor Vehicles	101,900,062	101,969,376	108,325,115
Airports	-	5,000,000	-
Total Department of Transportation	\$ 998,763,425	\$ 1,099,358,429	\$ 1,097,541,197
Appropriations to Other State Agencies:			
Agriculture	\$ 3,527,794	\$ 3,697,157	\$ 3,615,136
Revenue	4,038,525	4,038,525	4,038,525
State Treasurer-Sales Tax	13,800,000	14,560,000	15,360,000
Public Instruction-Driver Education	26,206,166	31,185,783	31,185,783
Crime Control and Public Safety- Highway Patrol	128,350,871	133,687,067	135,875,855
Environment and Natural Resources			
LUST Trust Fund	5,783,681	5,144,318	5,586,339
Chemical Test	437,623	437,623	437,623
Global Transpark	1,164,517	1,211,098	1,259,542
Total-Other State Agencies	\$ 183,309,177	\$ 193,961,571	\$ 197,358,803

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Fund - Continued

Table 11 - Continued
 Recommended Highway Fund Appropriations, 2001-03

	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Recommended</u>	<u>2002-03</u> <u>Recommended</u>
Reserves and Transfers:			
Legislative Salary Increase	\$ -	\$ 8,600,000	\$ 8,600,000
Salary Adjustment	60,201	400,000	400,000
DMV Systems Reserve	3,300,000	3,300,000	3,300,000
Minority Contractor Development	150,000	150,000	150,000
State Fire Protection Grant	150,000	150,000	150,000
Stormwater Discharge Permit	500,000	500,000	500,000
Visitor's Centers	175,000	175,000	175,000
State Employee Health Reserve	3,700,000	3,700,000	3,700,000
State Health Plan	-	7,000,000	9,000,000
Retirement Rate Reduction	-	(9,155,000)	(9,155,000)
Total Reserves and Transfers	\$ 8,035,201	\$ 14,820,000	\$ 16,820,000
Total Current Operations	\$ 1,190,107,803	\$ 1,308,140,000	\$ 1,311,720,000
Capital Improvements	9,000,000	10,000,000	-
Total Highway Fund Appropriation	\$ 1,199,107,803	\$ 1,318,140,000	\$ 1,311,720,000

**N.C. State Budget, 2001-03: Summary of Recommendations
Transportation – Continued**

C. Highway Trust Fund

The Highway Trust Fund was established in 1989. Support for the fund was provided from four primary sources: (1) one-fourth of the motor fuels tax with the remaining three-fourths in the Highway Fund; (2) highway vehicle use taxes on the sales of motor vehicles, \$170 million of which is currently transferred to the General Fund; (3) title fees and registration fees; and (4) interest earned from investments by the State Treasurer. Of the revenue that remains in the Highway Trust Fund, 30% comes from motor fuel taxes, 56% from highway use taxes, 10% from title and other fees, and 4% from investment income.

The legislation designated various roads identified as the Intrastate System and Urban Loops which were to be funded. Also identified were supplemental funds for Secondary Road Construction and Aid to Municipalities. Formula funding for administration as well as for the mentioned purposes is likewise included in the legislation.

1. Revenue

Highway Trust Fund revenue is projected to total \$965.5 million in 2000-01, and increase by 3.1%. The full impact of motor fuel price increases will be felt leading to motor fuel tax collections totaling \$284.7 million, or a growth of 9.2%. It should be noted that the large growth in collections occurs despite a slight fall in consumption. The weakening economy will lead to a small 1.6% growth in motor vehicle use tax collections and a decline as average daily balances fall.

Highway Trust Fund revenue is projected to remain sluggish in fiscal 2001-02, as collections total \$988.7 million, and grow by 2.4%. Motor fuel collections will remain strong, growing by a projected 5.1%. Price will begin to decline but remain high. Fuel consumption will grow by a modest 2.2%, after declining by 0.5% in 2000-01. Motor vehicle sales will strengthen but remain weak. It is projected that use tax collections will grow by 3.0%. Collections for the remaining Trust Fund license fees are anticipated to remain sluggish and expand by under 2%. Investment income is projected to decline by 27.2% as cash balances fall.

Highway Trust Fund revenue is projected to total \$1.03 billion in 2002-03 and expand by 4.4%. Despite a projected growth in fuel consumption, motor fuel tax collections are estimated to decline by 0.3% as declining prices counter consumption growth. Motor vehicle use tax collections will return to a more normal level and expand by 7.8%, as motor vehicle sales strengthen. Other Trust Fund fees will expand in the 2% range. It is anticipated the investment income will continue to decline as cash balances fall.

**N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Trust Fund - Continued**

**Table 12
 Condition of the Highway Trust Fund, 2001-03**

	<u>2000-01 Estimated</u>	<u>2001-02 Recommended</u>	<u>2002-03 Recommended</u>
Availability:			
Beginning Credit Balance:			
Appropriation Reserves	\$ 221,275,935	\$ -	\$ -
Highway Trust Fund Revenue	965,511,000	988,723,000	1,032,274,000
	<hr/>	<hr/>	<hr/>
Total Availability	\$ 1,186,786,935	988,723,000	\$ 1,032,274,000
Expenditures and Commitments:			
Expended and Committed	1,016,129,935	788,723,000	832,274,000
Appropriation Reserves	657,000	-	-
Transfer to General Fund (1)	170,000,000	200,000,000	200,000,000
	<hr/>	<hr/>	<hr/>
Total Expenditures and Commitments	\$ 1,186,786,935	\$ 988,723,000	\$ 1,032,274,000
Ending Credit Balance	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>

(1) Transfer required by G.S. 105-187.9.

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation - Continued
 Highway Trust Fund - Continued

Table 13
 Highway Trust Fund Revenue, 2001-03

	2000-01 Estimated	2001-02 Projected	2002-03 Projected
Anticipated Collections:			
Motor Fuel Tax Revenue	\$ 284,712,000	\$ 299,322,000	\$ 298,473,000
Highway Use Tax	553,992,000	570,335,000	614,822,000
Title Fees:			
Certificates of Title	80,481,000	81,929,000	84,223,000
Miscellaneous Title Fees	12,126,000	12,247,000	12,604,000
Subtotal	\$ 931,311,000	\$ 963,833,000	\$1,010,122,000
% Change	3.6%	3.5%	4.8%
Treasurer's Investments			
	34,200,000	24,890,000	22,152,000
% Change	(8.7%)	(27.2%)	(11.0%)
Subtotal	\$ 965,511,000	\$ 988,723,000	\$1,032,274,000
	3.1%	2.4%	4.4%
Amount Required to be Transferred to the General Fund			
	(170,000,000)	(200,000,000)	(200,000,000)
Balance Available	\$ 795,511,000	\$ 788,723,000	\$ 832,274,000
% Change	3.8%	3.0%	5.4%

N.C. State Budget, 2001-03: Summary of Recommendations
 Transportation – Continued
 Highway Trust Fund - Continued

Table 14
 Recommended Highway Trust Fund Appropriations, 2001-03

	<u>2000-01 Authorized</u>	<u>2001-02 Recommended</u>	<u>2002-03 Recommended</u>
Department of Transportation: Maximum allowance for Administration	\$ 34,247,886	\$ 32,792,426	\$ 34,831,189
Construction Allocation:			
Intrastate System	468,213,303	446,546,841	471,654,615
Urban Loop System	189,325,960	180,564,946	190,717,483
Secondary Roads	84,626,354	81,965,608	85,583,142
Transfer to Highway Fund	-	-	-
State Aid to Municipalities	49,126,497	46,853,179	49,487,571
Transfer to the General Fund (1)	<u>170,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Total Highway Trust Fund	<u>\$995,540,000</u>	<u>\$ 988,723,000</u>	<u>\$1,032,274,000</u>

(1) Transfer required by G.S. 105-187.9

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation
 Name of Committee

March 15, 2001
 Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK


NAME	FIRM OR AGENCY AND ADDRESS
Maurice King	OSBPM
Mike Alford	OSBPM
David Herlong	OSBPM
Quana Rungwa	NCPTA
John Long	MARTIN MARIETTA
Ruth Sappie	NC DOT
Steve Latta	United Transportation Union
Rudolph Westbrook	UTU
Doug Lassiter	Lassiter Enter.
Kim Clibbend	NCLM
Wendy Graf	NCLA Research

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation
Name of Committee

March 15, 2001
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tom Coley	CWA
Gordy McAllen	N.C. Construction Workers
	
VL McBeide	NOTA
Bill Chanton	

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **JOINT
APPROPRIATIONS/Transportation** will meet as follows:

DAY & DATE: Tuesday, March 20, *Cancelled*
Wednesday, March 21 and
Thursday, March 22, 2001

TIME: 9:00 A.M.

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at
11:00 a.m. on Thursday, March 15, 2001.

____ Principal Clerk
____ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 21, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Maintenance

David Allsbrook, Deputy Chief Engineer – Operations, DOT

JOINT APPROPRIATIONS COMMITTEE ON TRANSPORTATION

Minutes

March 21, 2001

9:00 A.M.

Room 1228 LB

The Joint Appropriations Subcommittee on Transportation met on March 21, 2001 at 9:00 a.m. in room 1228 of the Legislative Building. Representative Nelson Cole presided. Seven members of the Senate committee were in attendance. A visitor registration list is attached and made part of these minutes. The following members of the House committee were present:

Rep. Nelson Cole

Rep. Jim Crawford

Rep. Joanne Bowie

Rep. Bobby Barbee

Rep. Dan Blue

Rep. Lorene Coates

Rep. Don Davis had an excused absence

Rep. Jerry Dockham

Rep. Jim Gulley

Rep. Mary McAllister

Rep. Drew Saunders

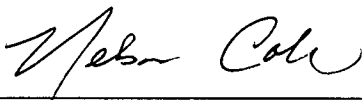
Rep. Ronnie Sutton

Representative Nelson Cole opened the meeting, acknowledged the pages, and introduced David Allsbrook, Deputy Chief Engineer of Operations with the Department of Transportation. He talked about the maintenance funding needs for the state. He gave a slide presentation, which is the same presentation as handout #1, Condition Assessment & Funding Needs. He indicated that the funds are allocated by the General Assembly and the highway systems and the highway divisions allocate them. The highway system is made up of the primary, secondary, and urban roads. The highest amount of maintenance funds is for the primary roads, with urban being next and the secondary highway system is last. For 1999-2000, asphalt patching used the highest amount of maintenance funds, with mowing next, then striping, snow and ice control and traffic signals being the least amount. Questions were raised from the members on the state's mowing expenses and the contract labor for that being at \$21.5 million. Discussion followed. Mr. Allsbrook indicated that the rating of the condition of the highway system is based on surveys from the maintenance condition, bridge conditions and pavement condition. Questions concerning these condition elements followed.

Mr. Allsbrook indicated that there is a \$47 million FEMA deficit from Hurricanes Fran and Floyd. Questions and answers with some discussion followed on this subject.

With time being a factor, the chair asked if Mr. Allsbrook could continue his presentation at the next meeting on Thursday, March 22nd at 9:00 a.m. The meeting was adjourned at 9:55 a.m.

Respectfully submitted:



Representative Nelson Cole
Chairman, House Committee



Suzanne Smith
House Legislative Committee Assistant

HOUSE PAGES:

Name:

Patricia Lawrence

Town:

Goldsboro (Wayne Co.)

Sponsor:

Phil Baddlow

Name:

Amelia Hodges

Town:

Raleigh

Sponsor:

Russell Capps

SENATE PAGES:

Name:

Joshua Bellamy

Town:

Sponsor:

Senator Miller

Name:

Town:

Sponsor:

Condition Assessment & Funding Needs



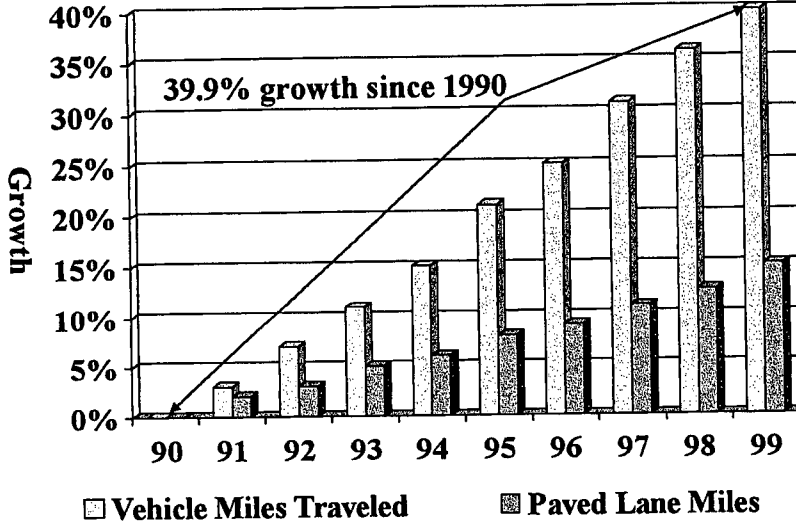
for
North Carolina's
Highway System

Maintenance
\$ Budget

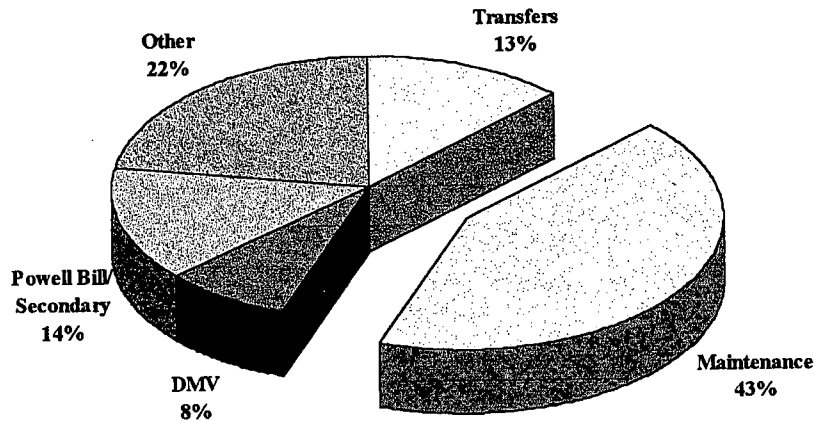
North Carolina State Highway System

- 78,083 miles of roadway
- 17,410 structures
- 16.9% increase in lane mileage since 1990
- 16.0% increase in bridge deck area since 1990

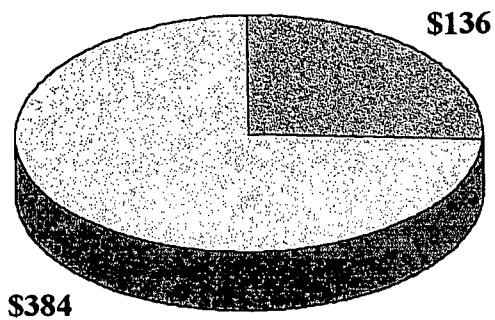
Highway System Usage (Vehicle Miles Traveled)



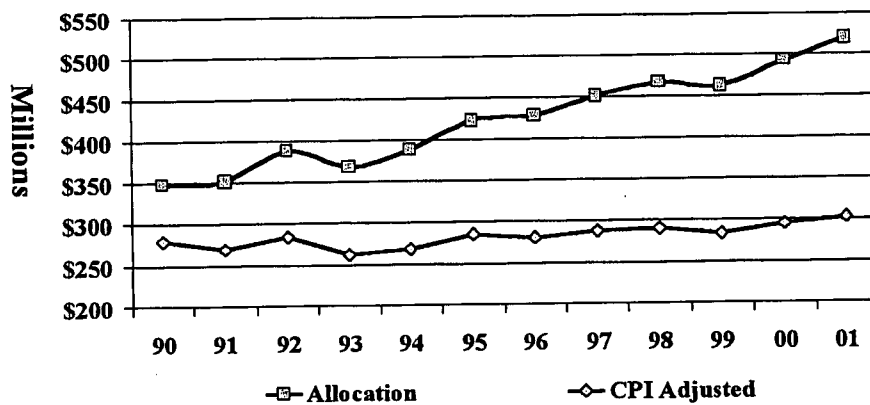
Highway Fund Appropriations (FY 2000/01 \$1,247 Million)



Maintenance Appropriations (FY 2000/01 \$520 Million)



History of Maintenance and Resurfacing Funding



Allocation Formulas for Maintenance and Resurfacing

How are funds distributed?

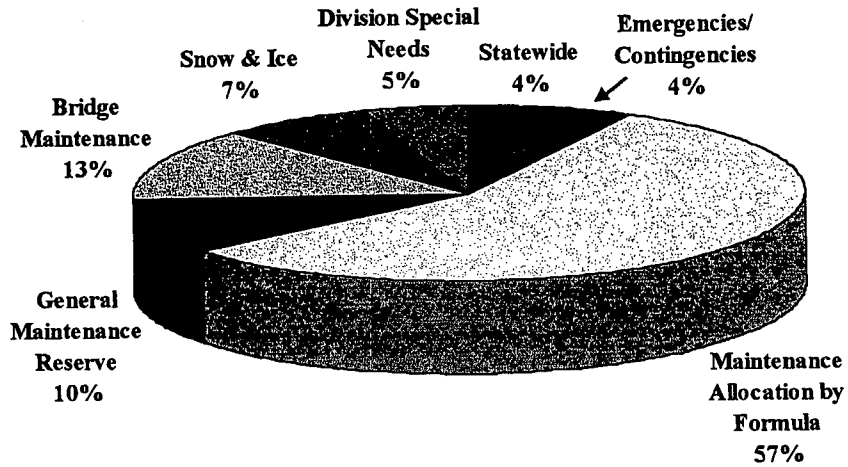
Funds Are Allocated By:

- **Highway Systems - Primary, Secondary, Urban**
- **Highway Divisions - 1 through 14**

Maintenance Fund Allocation

Total System

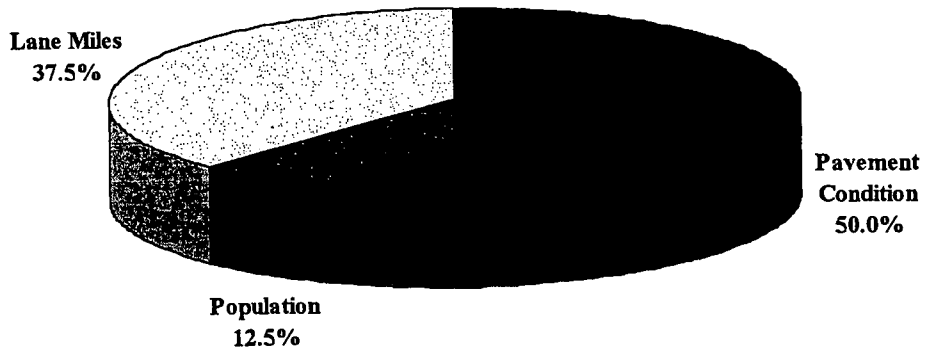
FY 2000/01 (\$ 384.4 Million)



Contract Resurfacing Fund Allocation

Total System

FY 2000/01 (\$ 135.5 Million)

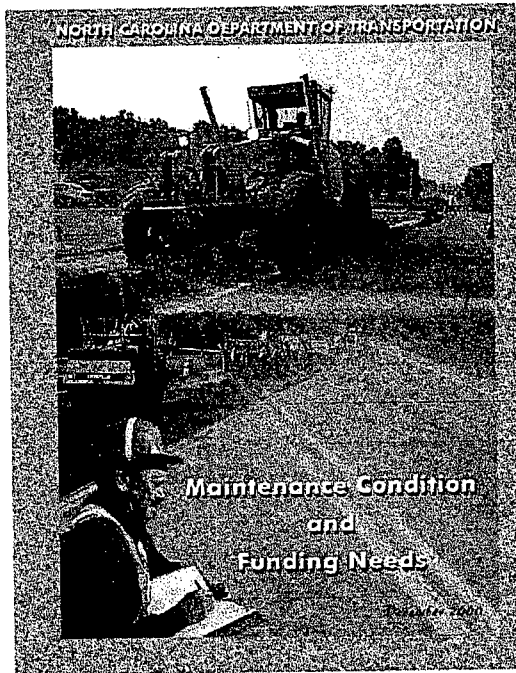


How Funds Were Expended in FY 1999/2000

Asphalt Patching	\$ 66.4 million
Mowing	\$ 21.5 million
Striping	\$ 10.1 million
Snow and Ice Control	\$ 26.0 million
Traffic Signals (Includes Power)	\$ 12.9 million
Contract Resurfacing	\$ 116.5 million

Condition Assessment & Funding Needs For North Carolina's Highway System

- **Roadway and Bridge Maintenance**
 - Annual Funding
 - Backlog
- **Contract Resurfacing**
 - Annual Funding
 - Backlog
- **Emergency/Disasters**
- **Summary**



Rating the Condition of the Highway System

- **Maintenance Condition Survey**
- **Bridge Condition Survey**
- **Pavement Condition Survey**

Maintenance Condition Elements

Bridge

- ✓ Decks
- ✓ Rails
- ✓ Expansion Joints
- ✓ Superstructure
- ✓ Substructure

Pavement

- ✓ Flexible
- ✓ Rigid

Roadway

- ✓ Low Shoulder
- ✓ High Shoulder
- ✓ Lateral Ditches
- ✓ Lateral Ditch Erosion

Roadside

- ✓ Mowing
- ✓ Brush and Tree Control
- ✓ Litter & Debris
- ✓ Slope
- ✓ Guardrail

Drainage

- ✓ Crossline Pipe
- ✓ Driveway Pipe
- ✓ Curb & Gutter
- ✓ Catch Basin & DropInlets
- ✓ Other Drainage Features

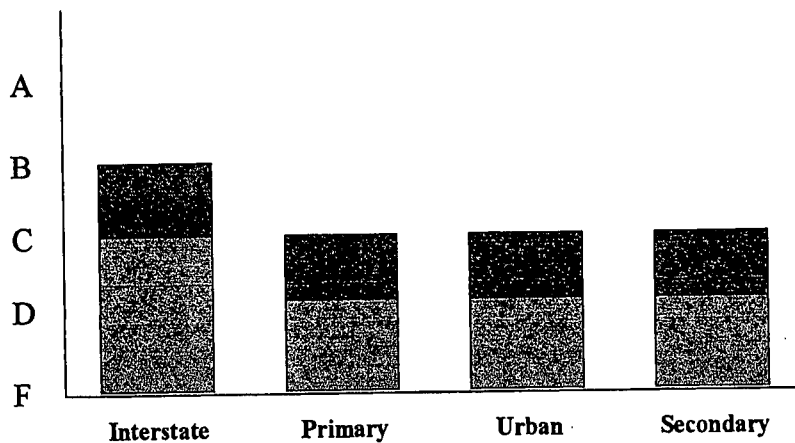
Environmental

- ✓ Turf Condition
- ✓ Miscellaneous Vegetation Management

Traffic Control Devices

- ✓ Traffic Signs
- ✓ Pavement Striping
- ✓ Words and Symbols
- ✓ Pavement Markers

Level of Service



Maintenance Funding Needs (Millions)

	Needs	Continuation Budget (01-02)	Shortfall
Routine Maintenance (Roads & Bridges)	\$ 500.2	\$ 367.4	\$ 132.8
Backlog (214.4 Million)	\$ 21.4		\$ 21.4

Contract Resurfacing

Resurfacing Cycles:

Primary System - 12 Years

All Other Systems - 15 Years

Maintenance Funding Needs (Millions)

	Needs	Continuation Budget (01-02)	Shortfall
Routine Maintenance (Roads & Bridges)	\$ 500.2	\$ 367.4	\$ 132.8
Backlog (\$214.4 Million)	\$ 21.4		\$ 21.4
Contract Resurfacing	\$ 221.4	\$ 128.5	\$ 92.9
Backlog (\$75.6 Million)	\$ 7.6		\$ 7.6

Emergency/Disaster (FEMA)

Fran, Floyd, etc.	\$ 47 million
Frozen FEMA Funds	\$ 19 million
TOTAL	\$ 66 million

Fiscal Year	Debt	New Storms	Total
2001/02	\$ 23.0	\$ 12.0	\$35.0
2002/03	\$ 24.0	\$ 15.0	\$39.0

Maintenance Funding Needs (Millions)

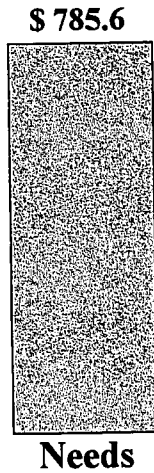
	Needs	Continuation Budget (01-02)	Shortfall
Routine Maintenance	\$ 521.6	\$ 367.4	\$ 154.2
Contract Resurfacing	\$ 229.0	\$ 128.5	\$ 100.5
Disaster Recovery	\$ 35.0	\$ 0	\$ 35.0
Grand Total	\$ 785.6	\$ 495.9	\$ 289.7

Statewide Annual Maintenance Funding Plan

Maintenance Programs	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Disasters/Emergencies	35.00	39.00	15.00	15.00	15.00
Total Maintenance Needs	521.68	547.04	573.68	601.66	631.06
Total Resurfacing Needs	228.96	240.26	252.11	264.56	277.62
Grand Total Needs	785.64	826.30	840.79	881.22	923.68

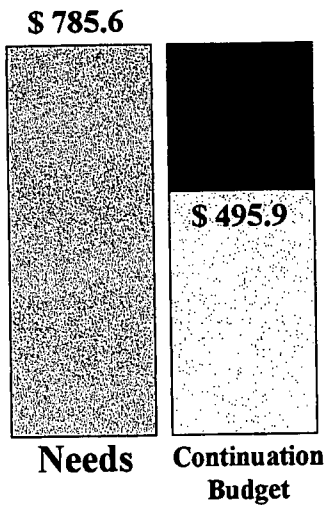
\$ Maintenance
Budget

**Maintenance Funding Needs vs. Budget
FY 2001/02
(Millions)**



Needs	
Routine Maintenance	\$ 521.6
Contract Resurfacing	\$ 229.0
<u>Disaster Recovery</u>	<u>\$ 35.0</u>
Total	\$ 785.6

**Maintenance Funding Needs vs. Budget
FY 2001/02
(Millions)**

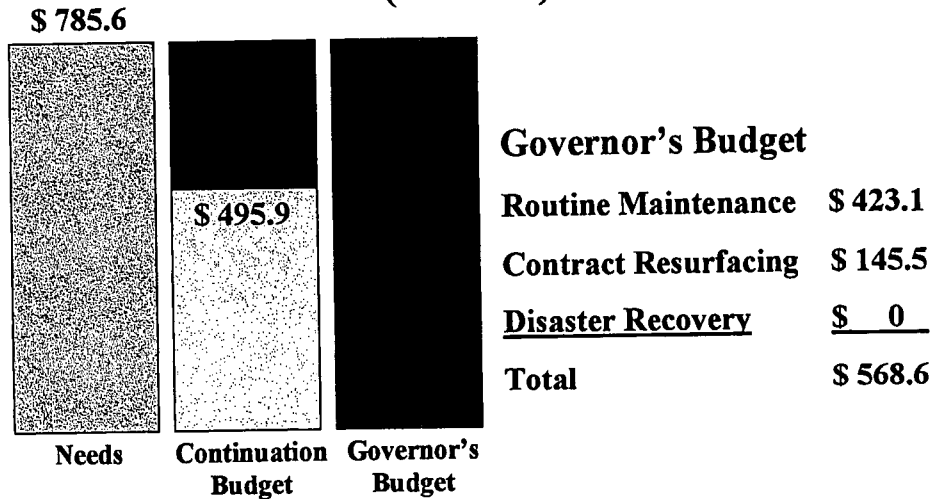


Continuation Budget	
Routine Maintenance	\$ 367.4
Contract Resurfacing	\$ 128.5
<u>Disaster Recovery</u>	<u>\$ 0</u>
Total	\$ 495.9

Maintenance Funding Needs vs. Budget

FY 2001/02

(Millions)



Condition Assessment & Funding Needs



for
North Carolina's
Highway System

Maintenance
Budget

Maintenance and Resurfacing Allocation History

(CPI Base year 84)

Fiscal Year	Consumer Price Index (CPI)	Maintenance		Resurfacing		Grand Total	
		Allocation	CPI Adjusted	Allocation	CPI Adjusted	Allocation	CPI Adjusted
84	100	\$ 183,441,578	\$ 183,441,578	\$ 73,165,952	\$ 73,165,952	\$ 256,607,530	\$ 256,607,530
85	103.9	\$ 196,569,241	\$ 189,190,800	\$ 78,440,394	\$ 75,496,048	\$ 275,009,635	\$ 264,686,848
86	107.6	\$ 211,066,980	\$ 196,158,903	\$ 77,191,673	\$ 71,739,473	\$ 288,258,653	\$ 267,898,376
87	109.6	\$ 235,413,371	\$ 214,793,222	\$ 101,476,485	\$ 92,588,034	\$ 336,889,856	\$ 307,381,255
88	113.6	\$ 232,847,119	\$ 204,971,055	\$ 100,912,425	\$ 88,831,360	\$ 333,759,544	\$ 293,802,415
89	118.3	\$ 237,221,460	\$ 200,525,325	\$ 100,567,150	\$ 85,010,270	\$ 337,788,610	\$ 285,535,596
90	124.0	\$ 248,508,533	\$ 200,410,107	\$ 98,721,048	\$ 79,613,748	\$ 347,229,581	\$ 280,023,856
91	130.7	\$ 263,032,836	\$ 201,249,301	\$ 89,567,150	\$ 68,528,806	\$ 352,599,986	\$ 269,778,107
92	136.3	\$ 289,024,806	\$ 212,050,481	\$ 99,050,000	\$ 72,670,580	\$ 388,074,806	\$ 284,721,061
93	140.3	\$ 280,949,520	\$ 200,249,123	\$ 87,500,000	\$ 62,366,358	\$ 368,449,520	\$ 262,615,481
94	144.5	\$ 300,699,561	\$ 208,096,582	\$ 87,500,000	\$ 60,553,633	\$ 388,199,561	\$ 268,650,215
95	148.2	\$ 334,534,598	\$ 225,731,848	\$ 89,127,392	\$ 60,139,941	\$ 423,661,990	\$ 285,871,788
96	152.4	\$ 336,528,927	\$ 220,819,506	\$ 91,830,500	\$ 60,256,234	\$ 428,359,427	\$ 281,075,740
97	156.9	\$ 350,486,332	\$ 223,381,983	\$ 100,875,815	\$ 64,293,062	\$ 451,362,147	\$ 287,675,046
98	160.5	\$ 346,748,259	\$ 216,042,529	\$ 119,792,020	\$ 74,636,773	\$ 466,540,279	\$ 290,679,302
99	163.0	\$ 333,443,300	\$ 204,566,442	\$ 130,000,000	\$ 79,754,601	\$ 463,443,300	\$ 284,321,043
2000	166.6	\$ 377,117,220	\$ 226,360,876	\$ 115,952,248	\$ 69,599,188	\$ 493,069,468	\$ 295,960,065
2001	171.7	\$ 384,394,586	\$ 223,875,705	\$ 135,529,734	\$ 78,934,033	\$ 519,924,320	\$ 302,809,738

Handout #2

SUMMARY MAINTENANCE COST BY SYSTEM

July 1, 1999 to June 30, 2000

MAINTENANCE GROUPS		TOTALS
1	Maintain Flexible Pavement (asphalt)	\$ 66,406,935
2	Maintain Rigid Pavement (concrete)	\$ 2,238,821
3	Low Shoulder Repair	\$ 14,961,463
4	High Shoulder Repair	\$ 13,445,883
5	Lateral Ditch Cleaning	\$ 6,941,349
6	Repair Eroded Lateral Ditches	\$ 480,259
7	Repair/Clean Crossline Pipe	\$ 13,796,871
8	Repair/Clean Driveway Pipe	\$ 4,942,152
9	Repair/Clean Curb & Gutter	\$ 952,773
10	Repair/Clean Other Drainage Structures	\$ 4,013,927
11	Mowing	\$ 21,485,526
12	Control Brush & Trees	\$ 12,558,678
13	Pick Up Litter & Debris	\$ 4,601,866
14	Repair Slope Failures	\$ 1,104,489
15	Repair Guardrail	\$ 3,947,861
16	Replace Traffic Signs	\$ 15,324,487
17	Stripe Pavement	\$ 10,085,901
18	Replace Words & Symbols	\$ 1,750,312
19	Replace Pavement Markers	\$ 384,433
20	Restore Turf Condition	\$ 2,593,312
21	Control Misc. Vegetation	\$ 1,373,680
22	Bridge Maintenance	\$ 33,809,188
23	Contract Resurfacing	\$ 128,695,868
24	Roadway Hazards	\$ 6,988,231
25	Rest Areas and Welcome Centers	\$ 8,616,440
26	Snow and Ice Control	\$ 26,004,886
27	Traffic Signals	\$ 7,749,340
28	Roadway Lighting	\$ 1,038,520
29	Electricity for Traffic Control Devices	\$ 5,090,176
30	Planting and Plant Maintenance	\$ 2,744,752
31	Electricity for Signs	\$ 442,080
32	Maintenance by Municipal Agreement	\$ 1,226,091
33	Statewide Programs	\$ 17,382,256
34	Unpaved	\$ 21,425,148

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 22, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Maintenance (*continued*)

David Allsbrook, Deputy Chief Engineer – Operations, DOT

Environmental Issues

Janet D'Ignazio, Chief Planning and Environmental Officer, DOT

Joint Appropriations Subcommittee on Transportation
Thursday, March 22, 2001
9:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Thursday, March 22, 2001 in Room 1228 of the Legislative Building. Five Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Barbee, Coates, Davis, Gulley, McAllister, Saunders and Sutton. Senator Wib Gulley presided.

Senator Gulley asked David Allsbrook, Department of Transportation's (DOT) Deputy Chief Engineer-Operations to continue his presentation from the March 21, 2001 meeting regarding maintenance funding (Handout #1). Representative Sutton questioned the allocation of the maintenance money. Mr. Allsbrook responded that all counties get \$50,000 and after that amount, a formula is used to allocate the rest of the money. In response to Senator Rucho's question regarding the chart on page 4, Mr. Allsbrook stated that an evaluation of road needs was done every two years and money allocation was done every two years.

Next, Mr. Allsbrook finished his presentation of another handout from the March 21, 2001 meeting (Handout #2). Senator Rucho asked how the Governor proposed to pay for the increased maintenance costs. Wayne Stallings, DOT Finance Officer, replied the Highway Fund revenue would be used and that there was a \$55 million growth in the Highway Fund. The 2 cents tax increase generated \$100 million and the tax would be increased ½ cent next year.

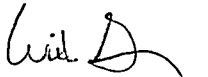
Senator Gulley questioned if the maintenance money was being spent wisely and asks Mr. Allsbrook to report back to the Committee on the method used by DOT to measure spending efficiency and what DOT is doing to try to do more for the amount of money allocated for maintenance. Representative Sutton also stated that checks and balances were needed to make sure the needs at the lowest level were being met. Mr. Allsbrook responded that the Division engineers evaluated the roads and the worse roads were dealt with first. The checks and balances were in the Division offices.

Representative Davis voiced concern about dangerous shoulders along the roads. Mr. Allsbrook replied that surveys of the shoulders were done and a drop off of more than two inches was considered dangerous.

Next, Senator Gulley asked Janet D'Ignazio, DOT's Chief Planning and Environmental Officer to discuss environmental issues effecting road construction (Handout #3). Ms. D'Ignazio told the Committee that if there was an air quality problem, the construction project came to a halt. Representative Bowie asked what happens to the project if it went through multiply counties and only part of the project had an air quality problem. Ms.

D'Ignazio replied that if it could be shown to the Federal government that the rest of the project was OK, then that portion of the project could continue. The Environmental Protection Agency was very caution because of the threat of lawsuits. Representative Coates asked if there had been any air quality conformity lapses, and Ms. D'Ignazio said yes, several brief lapses.

Ms. D'Ignazio was asked to return to the next meeting to continue her presentation and the meeting was adjourned at 10:00 AM



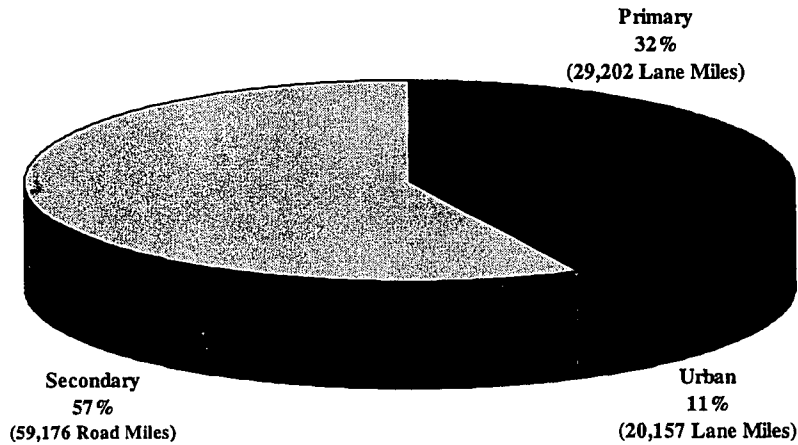
Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

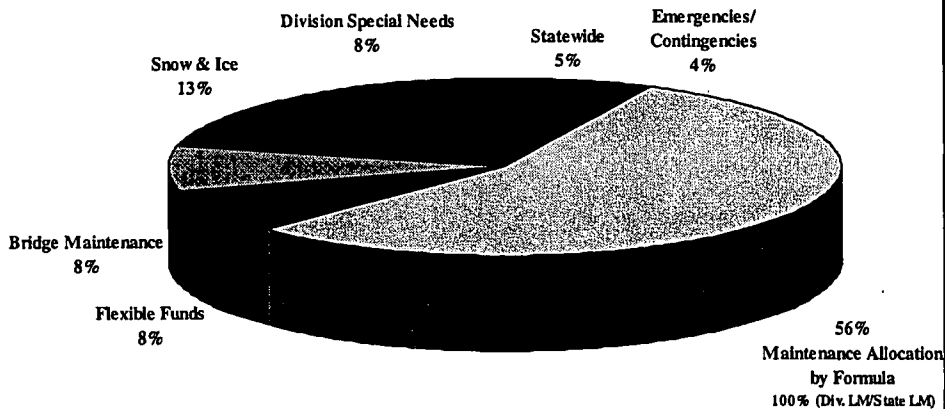
Maintenance Fund Allocation Total System

FY 2000/01 (\$ 384.4 Million)

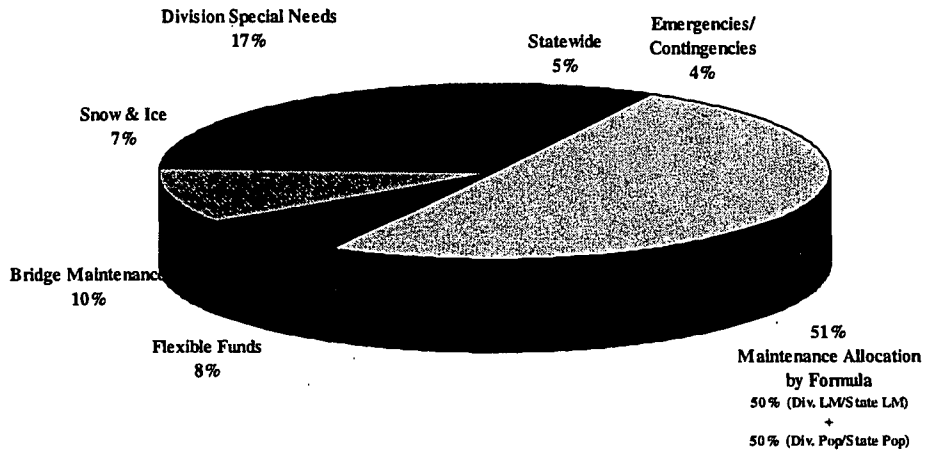


Maintenance Fund Allocation Primary System by Division

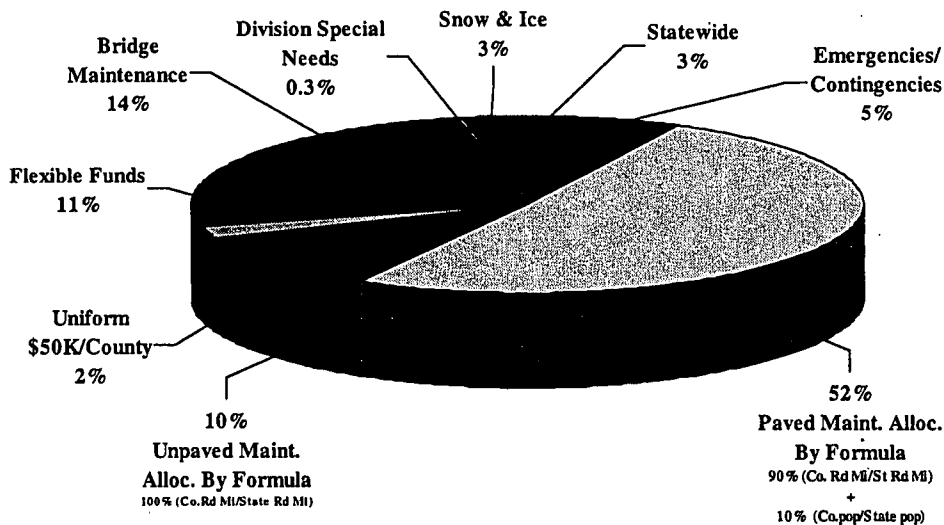
FY 2000/01 (\$ 124.2 Million)



Maintenance Fund Allocation Urban System by Division FY 2000/01 (\$ 40.5 Million)

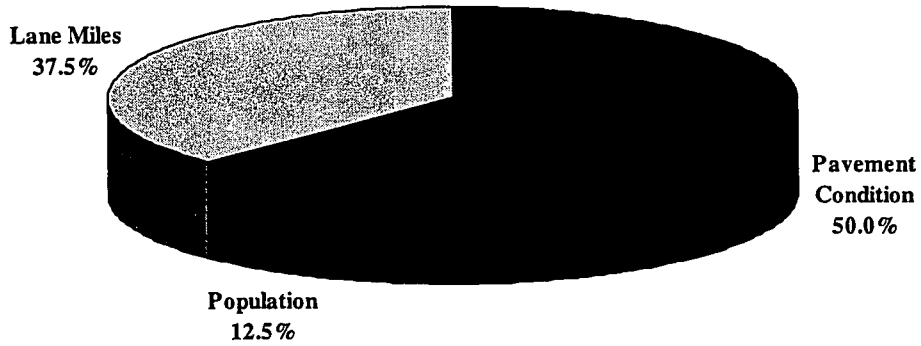


Maintenance Fund Allocation Secondary System by County FY 2000/01 (\$ 219.7 Million)

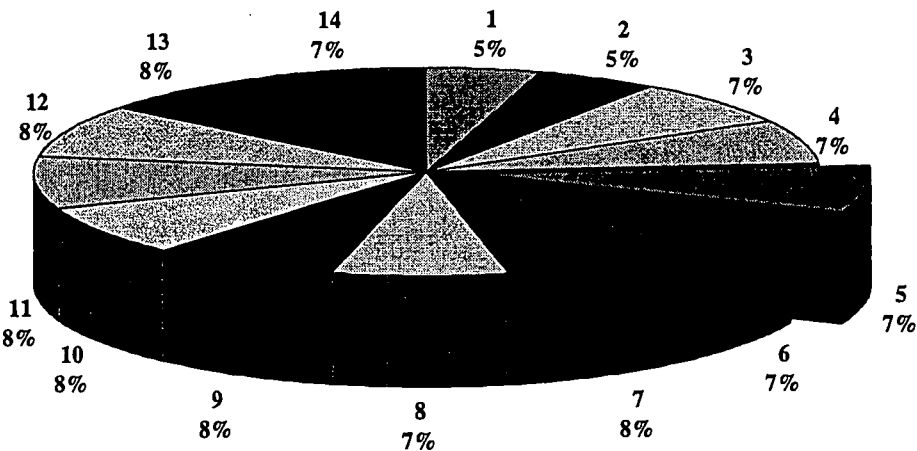


Contract Resurfacing Fund Allocation

FY 2000/01 (\$ 135.5 Million)



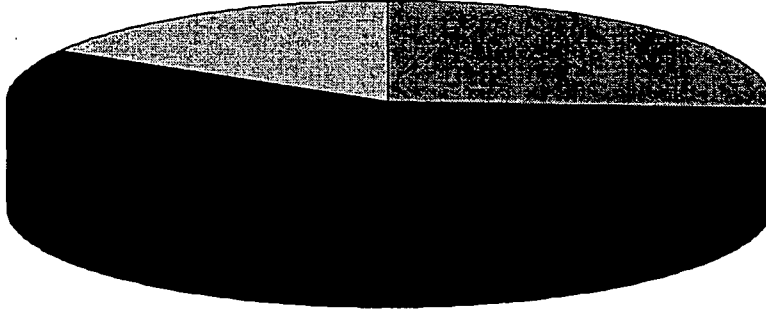
Contract Resurfacing Fund Allocation by Division



Contract Resurfacing Fund Allocation (Typical Division)

$$\text{Allocation} = \frac{\text{Urban Need}}{\text{Division Need}}$$

$$\text{Allocation} = \frac{\text{Primary Need}}{\text{Division Need}}$$



$$\text{Allocation} = \frac{\text{Secondary Need}}{\text{Division Need}}$$

Condition Assessment & Funding Needs



for
North Carolina's
Highway System

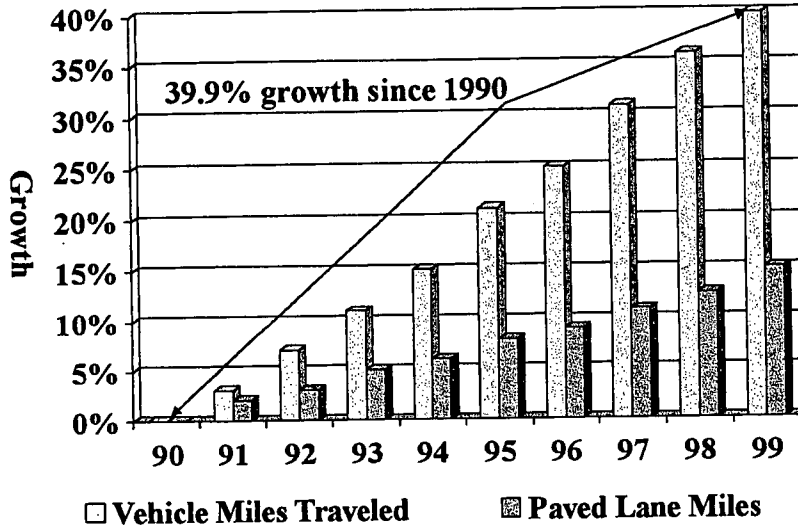
Maintenance
\$ Budget

North Carolina State Highway System

- 78,083 miles of roadway
- 17,410 structures
- 16.9% increase in lane mileage since 1990
- 16.0% increase in bridge deck area since 1990

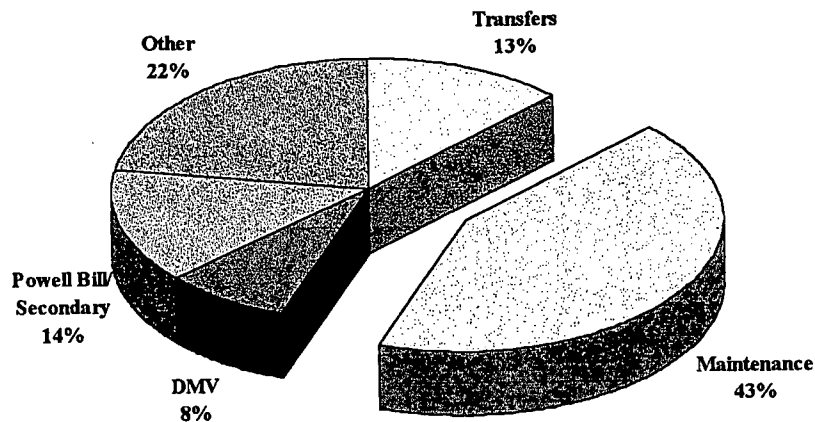
Highway System Usage

(Vehicle Miles Traveled)

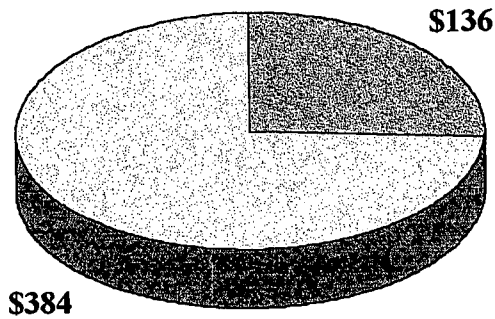


Highway Fund Appropriations

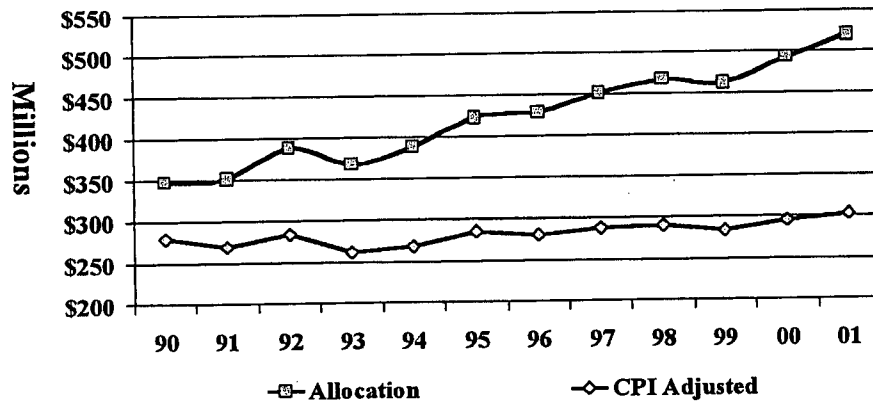
(FY 2000/01 \$1,247 Million)



Maintenance Appropriations (FY 2000/01 \$520 Million)



History of Maintenance and Resurfacing Funding



Allocation Formulas for Maintenance and Resurfacing

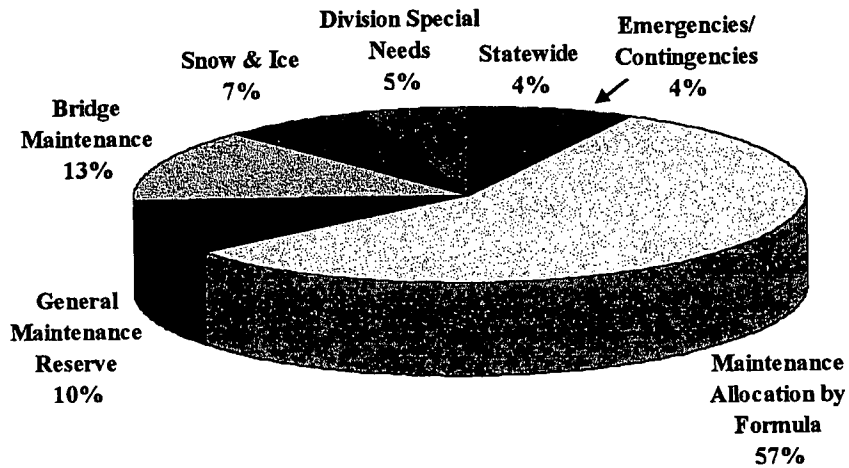
How are funds distributed?

Funds Are Allocated By:

- **Highway Systems - Primary, Secondary, Urban**
- **Highway Divisions - 1 through 14**

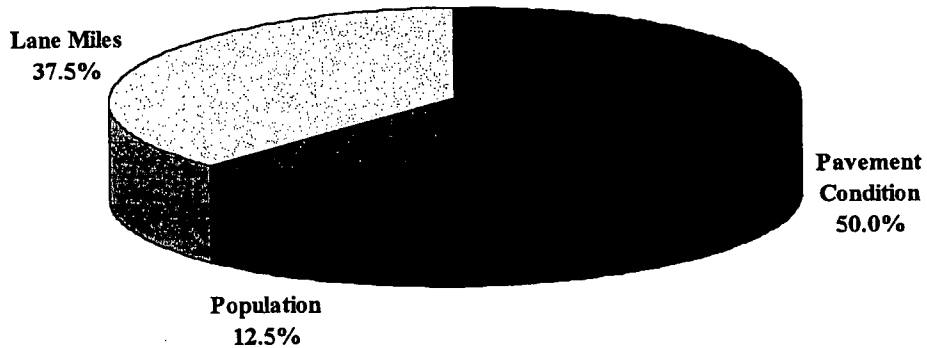
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FY 2000/01 (\$ 384.4 Million)



Contract Resurfacing Fund Allocation Total System

FY 2000/01 (\$ 135.5 Million)

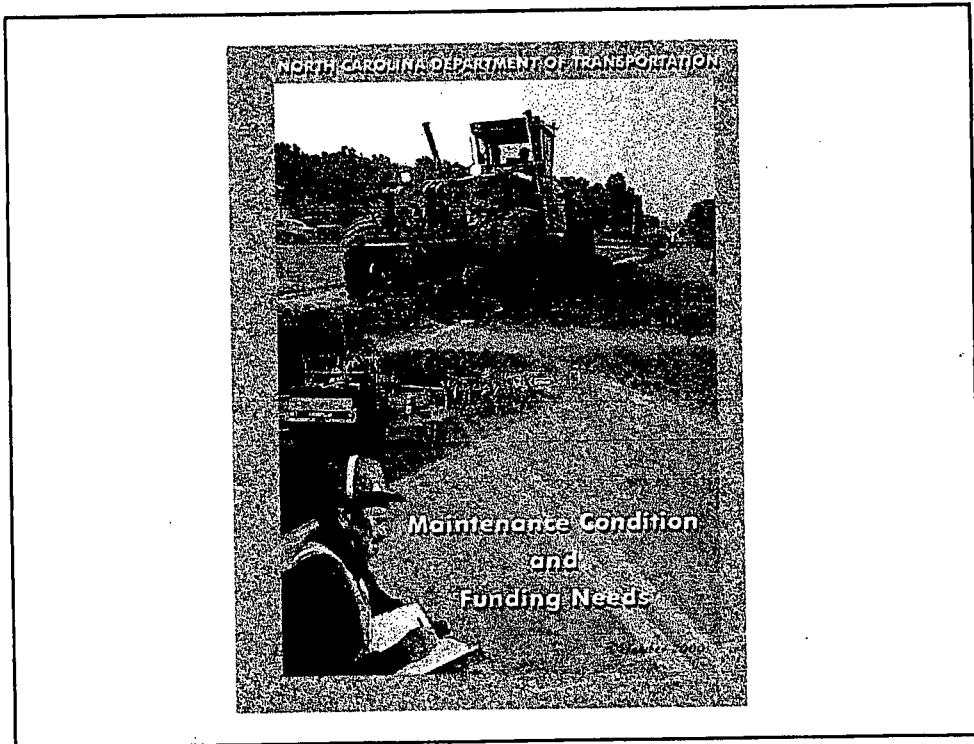


How Funds Were Expended in FY 1999/2000

Asphalt Patching	\$ 66.4 million
Mowing	\$ 21.5 million
Striping	\$ 10.1 million
Snow and Ice Control	\$ 26.0 million
Traffic Signals (Includes Power)	\$ 12.9 million
Contract Resurfacing	\$ 116.5 million

Condition Assessment & Funding Needs For North Carolina's Highway System

- **Roadway and Bridge Maintenance**
 - Annual Funding
 - Backlog
- **Contract Resurfacing**
 - Annual Funding
 - Backlog
- **Emergency/Disasters**
- **Summary**



Rating the Condition of the Highway System

- **Maintenance Condition Survey**
- **Bridge Condition Survey**
- **Pavement Condition Survey**

Maintenance Condition Elements

Bridge

- ✓ Decks
- ✓ Rails
- ✓ Expansion Joints
- ✓ Superstructure
- ✓ Substructure

Pavement

- ✓ Flexible
- ✓ Rigid

Roadway

- ✓ Low Shoulder
- ✓ High Shoulder
- ✓ Lateral Ditches
- ✓ Lateral Ditch Erosion

Roadside

- ✓ Mowing
- ✓ Brush and Tree Control
- ✓ Litter & Debris
- ✓ Slope
- ✓ Guardrail

Drainage

- ✓ Crossline Pipe
- ✓ Driveway Pipe
- ✓ Curb & Gutter
- ✓ Catch Basin & DropInlets
- ✓ Other Drainage Features

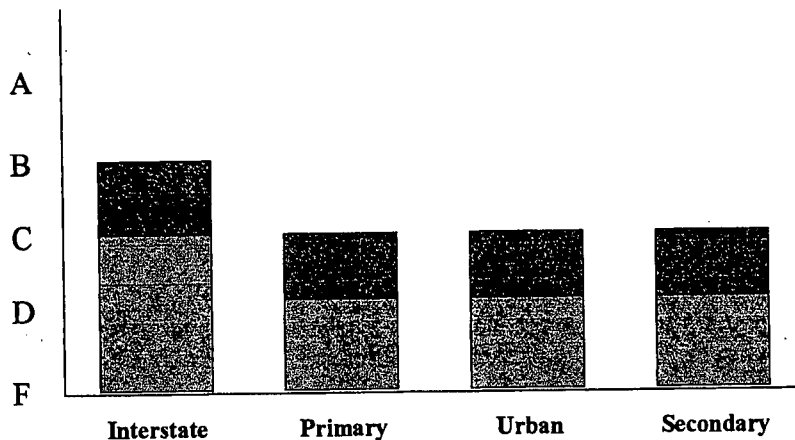
Environmental

- ✓ Turf Condition
- ✓ Miscellaneous Vegetation Management

Traffic Control Devices

- ✓ Traffic Signs
- ✓ Pavement Striping
- ✓ Words and Symbols
- ✓ Pavement Markers

Level of Service



Maintenance Funding Needs (Millions)

	Needs	Continuation Budget (01-02)	Shortfall
Routine Maintenance (Roads & Bridges)	\$ 500.2	\$ 367.4	\$ 132.8
Backlog (214.4 Million)	\$ 21.4		\$ 21.4

Contract Resurfacing

Resurfacing Cycles:

Primary System - 12 Years

All Other Systems - 15 Years

Maintenance Funding Needs (Millions)

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Routine Maintenance			
(Roads & Bridges)	\$ 500.2	\$ 367.4	\$ 132.8
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Contract Resurfacing	\$ 221.4	\$ 128.5	\$ 92.9
Backlog (\$75.6 Million)	\$ 7.6		\$ 7.6

Emergency/Disaster (FEMA)

Fran, Floyd, etc.	\$ 47 million
Frozen FEMA Funds	\$ 19 million
TOTAL	\$ 66 million

Fiscal Year	Debt	New Storms	Total
2001/02	\$ 23.0	\$ 12.0	\$35.0
2002/03	\$ 24.0	\$ 15.0	\$39.0

Maintenance Funding Needs (Millions)

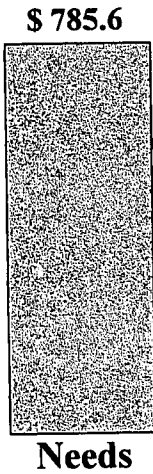
	Needs	Continuation Budget (01-02)	Shortfall
Routine Maintenance	\$ 521.6	\$ 367.4	\$ 154.2
Contract Resurfacing	\$ 229.0	\$ 128.5	\$ 100.5
Disaster Recovery	\$ 35.0	\$ 0	\$ 35.0
Grand Total	\$ 785.6	\$ 495.9	\$ 289.7

Statewide Annual Maintenance Funding Plan

Maintenance Programs	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Disasters/Emergencies	35.00	39.00	15.00	15.00	15.00
Total Maintenance Needs	521.68	547.04	573.68	601.66	631.06
Total Resurfacing Needs	228.96	240.26	252.11	264.56	277.62
Grand Total Needs	785.64	826.30	840.79	881.22	923.68

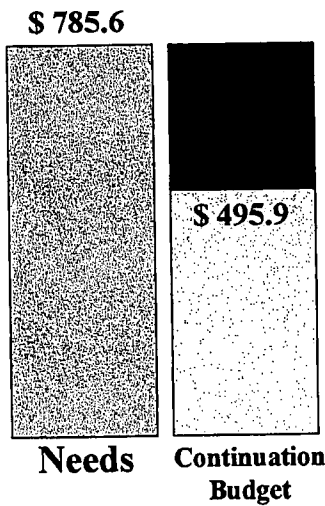
\$ Maintenance
Budget

**Maintenance Funding Needs vs. Budget
FY 2001/02
(Millions)**



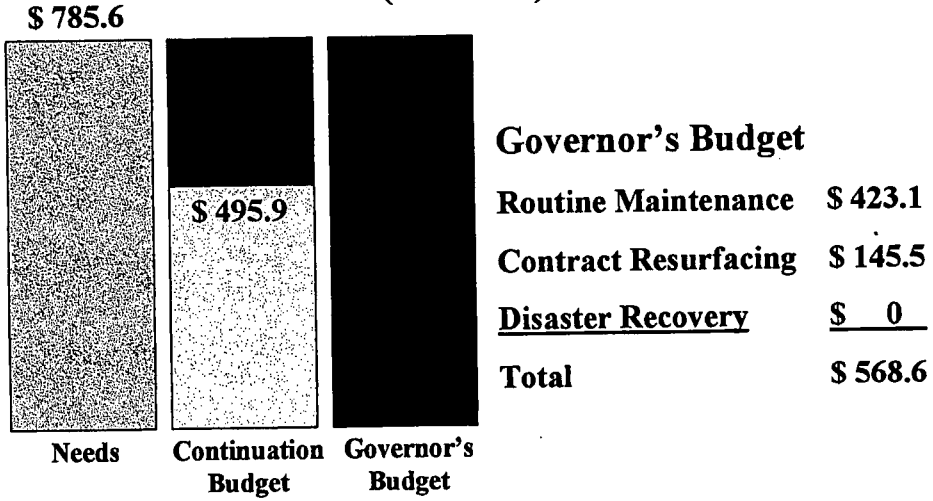
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<u>Disaster Recovery</u>	<u>\$ 35.0</u>
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**Maintenance Funding Needs vs. Budget
FY 2001/02
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Maintenance Funding Needs vs. Budget FY 2001/02 (Millions)



Condition Assessment & Funding Needs



for
North Carolina's
Highway System

Maintenance
\$ Budget

Transportation and Air Quality

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Legislative Briefing

1

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Legislative Briefing

2

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► Atlanta

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► Houston

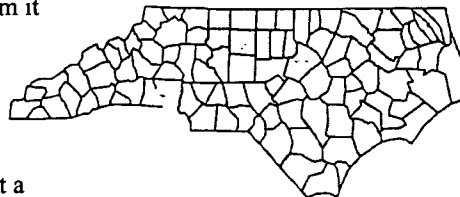
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Legislative Briefing

3

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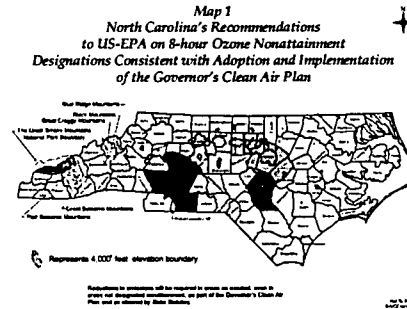


Legislative Briefing

4

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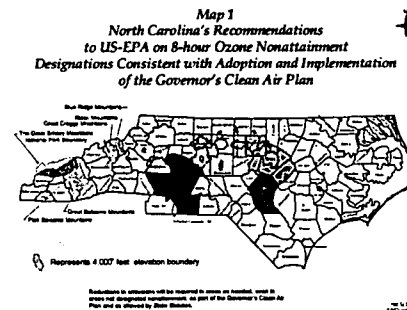


Legislative Briefing

5

Will this really happen? . . .

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- The Supreme Court has given EPA a green light.
- The risks of not preparing are too high to ignore.



Legislative Briefing

6

The Supreme Court Says

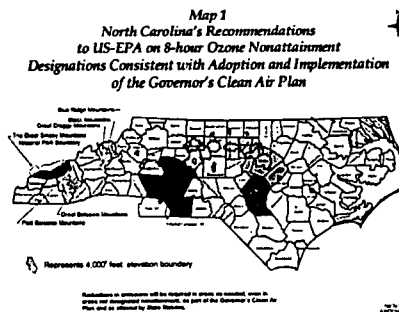
- | | |
|---|--|
| <ul style="list-style-type: none"> ➤ Issue <ul style="list-style-type: none"> ➤ Unconstitutional delegation of authority ➤ EPA should consider costs ➤ The challenge was too early ➤ EPA has <i>carte blanche</i> on implementation | <ul style="list-style-type: none"> ➤ The Court Says <ul style="list-style-type: none"> ➤ EPA has authority to set the standard. ➤ EPA cannot consider \$ in setting the standard. ➤ The challenge was timed correctly. ➤ EPA must work within all requirements of the CAA. |
|---|--|

Legislative Briefing

7

A conformity lapse in 2002 would mean. . .

- 120+ projects delayed over two years.
- \$1.52 billion in delayed right-of-way and construction over two years.



Legislative Briefing

8

What have we done?

- Worked with DENR to recommend areas.
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- Prepared a proposed process for EPA review.
- Met with EPA on the proposed process.
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Next Steps

- Work with EPA on implementation.
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- Contingency Planning.
- Staff training.
- Education and outreach.

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

March 22 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ruth Sappie	NCDOT
Rhonda Johnson	NCDOT
Jennifer Brandenburg	NCDOT
Lacy Jone	NCDOT
Mike Stanley	NCDOT
JANET D'IGNAZIO	NCDOT
WAYNE Stallings	nCDOT
Maure Ci	OSBPM
Melba Alfad	OSBPM
Mercede Benton	NCDOT
GILES PERRY	NCGA Staff

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NAME	FIRM OR AGENCY AND ADDRESS
Walter English	Charlotte Chamber
Craig Seal	NC DENR
Thomson	Unknown
Ken Melton	Alley Associates
Mac Bortey	NC Aggregates
Steen Lamm	UNITED TRANSPORTATION UNION
Richard Westhead	UTU
JANE PINSKY	AAA Carolinas

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **JOINT APPROPRIATIONS/Transportation** will meet as follows:

DAY & DATE: **Tuesday, March 27,
Wednesday, March 28 and
Thursday, March 29, 2001**

TIME: **9:00 A.M.**

LOCATION: **1327/1228**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **11:00 a.m. on Thursday, March 22, 2001.**

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 27, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Environmental Issues (*continued*)

Janet D'Ignazio, Chief Planning and Environmental Officer, DOT

MINUTES
JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
MARCH 27, 2001

The Joint Appropriations Subcommittee on Transportation met on Tuesday, March 27, 2001, in Room 1228/1327 of the Legislative Building at 9:00 a.m. The following members were present: Presiding Co-Chairman Jim Crawford, Representatives Bowie, Blue, Cole, Coates, Davis, McAllister, Saunders, and Sutton. Six Senate members were present. Staff to the committee, Evan Rodewald and Bob Weiss, attended. Representative Crawford introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Transportation and Air Quality

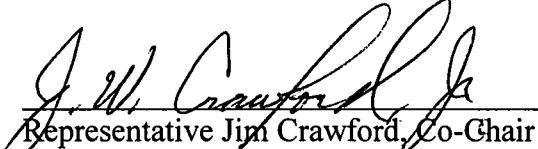
Representative Crawford introduced Janet D'Ignazio, Chief Planning and Environmental Officer, DOT, to complete her presentation from the previous meeting (handout). She recapped her discussion on conformity, the impact of conformity lapse, and the locations where conformity is already an issue. The new designations should be issued after June 1 based on the 8-hour standard. The Governor submitted to EPA what NC believed to be out of conformity--all or portions of 23 counties. EPA was to review the submission, provide official comments, allow a 6-month negotiation period, and then do an official designation. A lawsuit challenged the process and standards that delayed the process. The Supreme Court ruled in favor of EPA but specified that EPA must work within all requirements of the Clean Air Act. Unofficial comments from EPA indicate that NC has not been broad enough in its designation. We do know that we will have a new, stricter standard, and the same non-conforming areas in 1990 will continue to have problems, as well as the urban areas surrounding. The 23 counties identified will likely be the minimum designated. A conformity lapse in 2002 would mean delays of 120 projects over two years and \$1.52 million in delayed right-of-way and construction. DOT will be held accountable for air quality in its programs. DOT is attempting to influence the designation process and has developed a method for estimating emissions in rural areas. They have prepared and discussed with EPA a proposed planning/program process. Next steps are to work with EPA on implementation and DENR on designations and SIP development. They will look at new inspection and maintenance fees and expansion, continue contingency planning, staff training, and educating stakeholders.

Environmental Factors Affecting Delivery of Transportation Projects

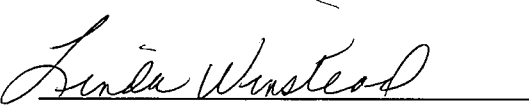
Ms. D'Ignazio began her presentation with a slide that described the major activities that could delay the preconstruction process color coded to show how the 23 steps are controlled—9 by DOT, 11 shared with other state and federal agencies, and 3 completely controlled by others (handout). DOT is working diligently with the agencies involved to simplify and streamline the process.

The remainder of the presentation will continue at the next meeting.

The meeting adjourned at 9:55 a.m.



Representative Jim Crawford, Co-Chair



Linda Winstead, Committee Assistant

Transportation and Air Quality

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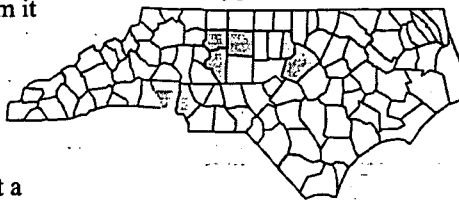
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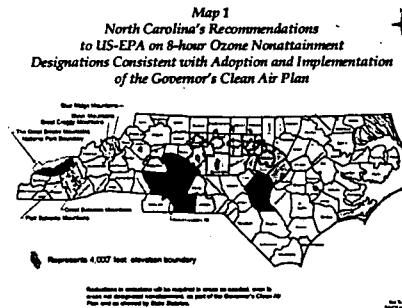


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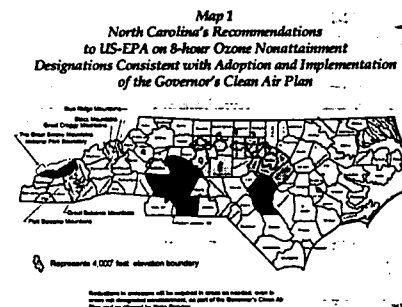


Legislative Briefing

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Legislative Briefing

6

The Supreme Court Says

➤ Issue

- Unconstitutional delegation of authority
- EPA should consider costs
- The challenge was too early
- EPA has *carte blanche* on implementation

➤ The Court Says

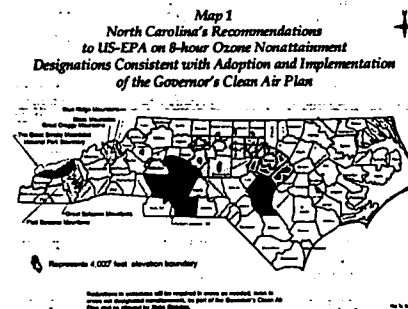
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Project Development Process

- Multi-faceted negotiation
- Legal requirements - conflicting laws
- Advocacy vs. legal roles and responsibilities
- Increasingly more complex and lengthy with new regulations and requirements



Environmental Factors Affecting Project Delivery

- Conflicting laws and regulations
- Changes in laws and regulations
- Balancing community, environment, and transportation goals



Conflicting Environmental Laws and Regulations

- Appearance of “pitting” one resource against another
- Difficult to resolve
- Agencies with differing missions, roles, and responsibilities
- More time, coordination, and cost to develop ways to avoid and minimize impacts to multiple resources



Changes in Laws and Regulations

- New requirements
- Lack of “grandfathering” for existing projects
- Re-work and delayed schedules
- Examples:
 - stream buffer rules
 - stormwater regulations
 - essential fish habitat



Economic Development, Transportation and Environmental Considerations

- Economic development projects are most difficult
 - complex issues/broad scope
 - purpose of project to cause development
 - development will have environmental impact
- Must assess and disclose impacts of project AND development
- Must identify mitigation strategies
- At times community goals and agency goals in direct conflict



Case Study: US 17 in Jones County

- Resources and interests:
 - wetland impacts
 - community impacts
 - historic site
 - transportation facility
- Laws:
 - Clean Water Act
 - Title VI and Executive Order on Environmental Justice
 - Section 106 and Section 4(f)
 - Highway Trust Fund Law - Intrastate System



Case Study: US 17 in Jones County

- Additional alternatives developed to address new laws and expanded historic site
 - additional design
 - coordination with resource and permitting agencies
 - additional public involvement
- Results (positive and negative):
 - expanded knowledge on community impact assessment
 - 2-years minimum delay
 - issues still unresolved



Summary: Issues Affecting Project Delivery

- Conflicting laws and regulations
- Changes in laws and regulations
- Need to appropriately balance community, environment, and transportation goals



Contact Information:

Janet D'Ignazio, Chief Officer
Planning and the Environment
NC Department of Transportation

(919) 733-2520

jdignazio@dot.state.nc.us



VISITOR REGISTRATION SHEET

Appropriations / Transportation 3/27/01
 Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

BILL SAUSTARHEN	CHARLOTTE AREA TRANSIT SYSTEM
Kon McKillion	moore & Van allen
Mitch Aelford	OSBM
Mercedes Benton	NC DOT
Wayne Stallings	NC DOT
Nat Murod	CCNC
Cathy Pizella	N.C. ComNet.
Craig Deal	NC DENR
Wald Dixon	Capital Group
Japhie Rony	Martin Marilla
GILES JERRY	NCEA STAFF
Natalie English	Charlotte Chambers
KC Jones	Danville
V L McBride	NCOT
J Rungquist	NCPTA

VISITOR REGISTRATION SHEET

Name of Committee

3/27/01
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Chad Cromer

NCATL

Chamber

CAADH

Brian Francis

Meck & Cuty

J. J. Pullman

Natl Assoc. of SWK

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 28, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Environmental Issues (*continued*)

Janet D'Ignazio, Chief Planning and Environmental Officer, DOT

Secondary Roads

Discretionary Construction Funds

Unpaved Roads Pilot Program

Don Goins, Chief Engineer – Operations, DOT

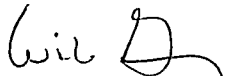
Joint Appropriations Subcommittee on Transportation
Wednesday, March 28, 2001
9:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Wednesday, March 28, 2001 in Room 1228 of the Legislative Building. Four Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Barbee, Blue, Dockham Gulley, McAllister, Saunders and Sutton. Senator Wib Gulley presided.

Senator Gulley asked Janet D'Ignazio, Department of Transportation's (DOT) Chief Planning and Environmental Officer, to continue her presentation on environmental issues from the last meeting (Handout #1 and Handout #2). She reviewed the environmental factors affecting project delivery and gave a case study example of environmental impact on road projects (page 4 of Handout #2). After a brief discussion, Senator Gulley stated that a Study Commission on the Highway Trust Fund is a possibility for the fall to look at the issue of what can be done when mandated projects are stuck on hold because of environmental issues. Further discussion followed about historical properties and problems with environmental conflicts, historical properties conflicts and road construction. Several members wanted to know if DOT was in the negotiation process when these conflicts arise and Ms. D'Ignazio replied that DOT was in the dead center of the negotiations. The consensus of the Committee was that a new approach was needed when environmental issues stop a road project.

The meeting was adjourned at 10:00 AM



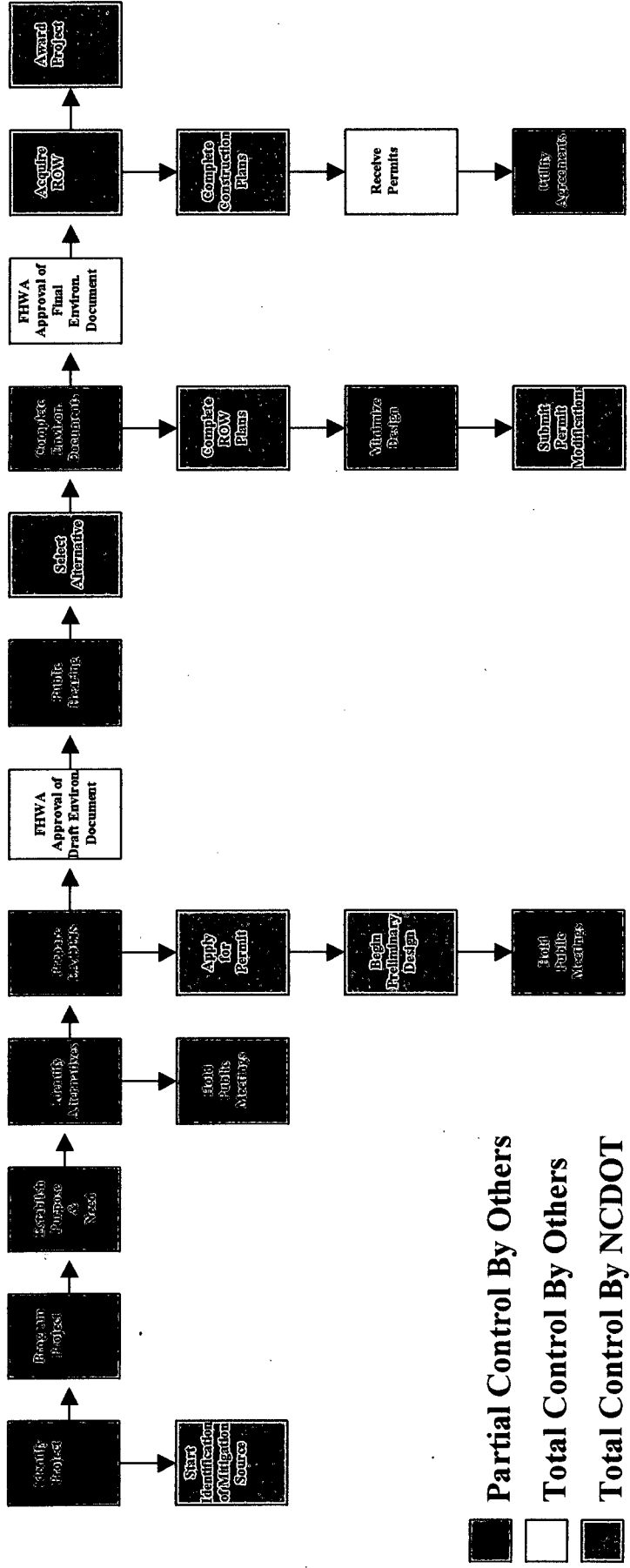
Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

NCDOT-Preconstruction Process

Major Activities & Milestones



- Partial Control By Others
- Total Control By Others
- Total Control By NCDOT

**Goal: To ensure a transportation improvement
meets need in the least environmentally
damaging practical way**

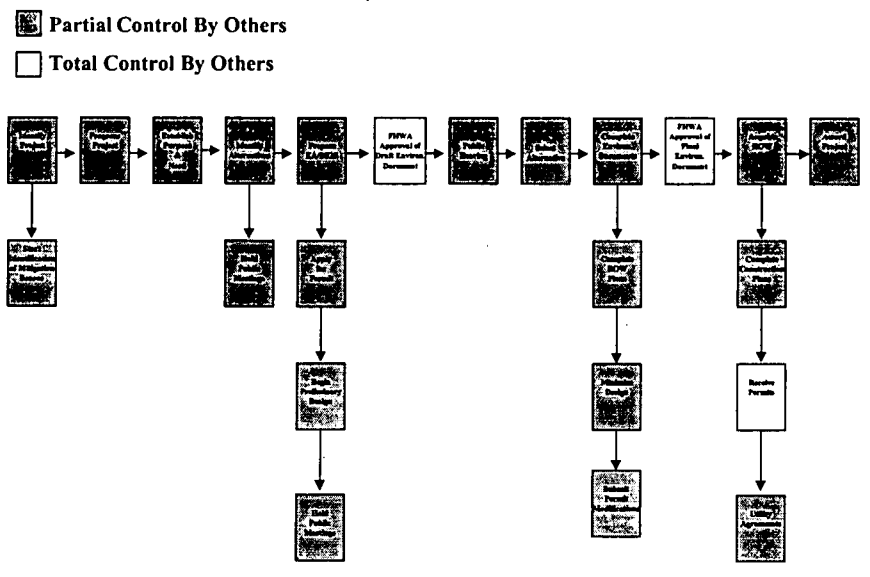
Environmental Factors Affecting Delivery of Transportation Projects

Presented to the
Transportation Subcommittee of the Appropriations Committee
by
Janet D'Ignazio, Chief Officer
Planning and the Environment - NCDOT



NCDOT-Preconstruction Process

Major Activities & Milestones



Project Development Process

- Multi-faceted negotiation
- Legal requirements - conflicting laws
- Advocacy vs. legal roles and responsibilities
- Increasingly more complex and lengthy with new regulations and requirements



Environmental Factors Affecting Project Delivery

- Conflicting laws and regulations
- Changes in laws and regulations
- Balancing community, environment, and transportation goals



Conflicting Environmental Laws and Regulations

- Appearance of “pitting” one resource against another
- Difficult to resolve
- Agencies with differing missions, roles, and responsibilities
- More time, coordination, and cost to develop ways to avoid and minimize impacts to multiple resources



Changes in Laws and Regulations

- New requirements
- Lack of “grandfathering” for existing projects
- Re-work and delayed schedules
- Examples:
 - stream buffer rules
 - stormwater regulations
 - essential fish habitat



Economic Development, Transportation and Environmental Considerations

- Economic development projects are most difficult
 - complex issues/broad scope
 - purpose of project to cause development
 - development will have environmental impact
- Must assess and disclose impacts of project AND development
- Must identify mitigation strategies
- At times community goals and agency goals in direct conflict



Case Study: US 17 in Jones County

- Resources and interests:
 - wetland impacts
 - community impacts
 - historic site
 - transportation facility
- Laws:
 - Clean Water Act
 - Title VI and Executive Order on Environmental Justice
 - Section 106 and Section 4(f)
 - Highway Trust Fund Law - Intrastate System



Case Study: US 17 in Jones County

- Additional alternatives developed to address new laws and expanded historic site
 - additional design
 - coordination with resource and permitting agencies
 - additional public involvement
- Results (positive and negative):
 - expanded knowledge on community impact assessment
 - 2-years minimum delay
 - issues still unresolved



Summary: Issues Affecting Project Delivery

- Conflicting laws and regulations
- Changes in laws and regulations
- Need to appropriately balance community, environment, and transportation goals



Contact Information:

Janet D'Ignazio, Chief Officer
Planning and the Environment
NC Department of Transportation
(919) 733-2520
jdignazio@dot.state.nc.us



VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation
Name of Committee

March 28 2001
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

NAME	FIRM OR AGENCY AND ADDRESS
Dale McKeel	Scenic NC
Charles W. Lawley III	Intern - Wib Gullay
Mark Beason	Capitol Group
Mary Conilio	REBIC
J. Furi	AAA
Ken McHen	Alloy Associates
Cherokee	ORPA
John Tracy	Marta Masullo

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Crawford)
Sent: Thursday, March 29, 2001 10:05 AM
Subject: Approp/Transportation Meeting Notice

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **JOINT APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Tuesday, April 3,
Wednesday, April 4 (Joint with Transp. Oversight) and
Thursday, April 5, 2001

TIME: 9:00 A.M.

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **11:00 a.m.** on **Thursday, March 29, 2001.**

____ Principal Clerk
____ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

March 29, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Secondary Roads
Discretionary Construction Funds
Unpaved Roads Pilot Program
Don Goins, Chief Engineer – Operations, DOT

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

March 29, 2001

9:00 A.M.

Room 1228 LB

The Joint Appropriations Subcommittee on Transportation met on March 29, 2001 at 9:00 a.m. in room 1228 of the Legislative Building. Representative Nelson Cole chaired the meeting. Four members of the Senate committee were in attendance. A visitor registration list is attached and made part of these minutes. The following members of the House committee were present:

Rep. Nelson Cole
Rep. Jim Crawford
Rep. Joanne Bowie
Rep. Bobby Barbee, excused absence
Rep. Dan Blue
Rep. Lorene Coats

Rep. Don Davis
Rep. Jerry Dockham
Rep. Jim Gulley
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Cole opened the meeting, acknowledged the pages, and introduced Don Goins, Chief Engineer for Operations with the Department of Transportation. Mr. Goins talked about the state's secondary construction program, the discretionary construction funds and the unpaved roads pilot programs all outlined in handout #1, North Carolina Highway System, March 2001. There are 78,000 miles of roadways in the state with 59,000 miles of them being in the secondary system. 87% of these roads are paved with 13% being unpaved. The Highway Fund and the Trust Fund fund the secondary road construction program. The Highway Funds are generated by 1 ¼ cents per gallon of gasoline tax as required by law and the Trust Funds are generated by a \$15 per vehicle title and registration fee plus 6.5% of other Trust Fund collections as required by law. In 1989 when the Trust Fund was enacted, there were over 16,000 miles of unpaved secondary roads on the state system. Secondary Road Paying Funds created by this fund was an attempt to generate sufficient revenue to pave over 10,000 miles, which had a daily traffic volume of 50 or more vehicles. Since 1898 over 154,000 homes have been served with improved paved roads. With the current method of allocating funds and the current rate of paving, it is estimated that it will take until around 2010 to pave the roads with 50 or greater ADT (average daily traffic), and between 2016 to 2020 to complete all of the unpaved roads in the state. The allocation formulas for the Highway Fund and the Trust Fund are shown on page five and six of the handout. The ratings used for unpaved secondary roads for rural and residential/subdivision areas are on page seven and eight of the handout. Questions and answers followed.

Mr. Goins then talked about the requirements for road additions to the state system, serving both rural and subdivision roads. These requirements are outlined on page nine of the handout. In 1999, 226 miles of paved roads were added with 21 unpaved miles added to the secondary system. In 2000, 225 miles of paved roads were added with 20.8 unpaved miles added to the secondary system, indicating that the system is continuing to grow.

Joint Appropriations Subcommittee on Transportation Committee
March 29, 2001

Mr. Goins then talked about the Small Urban Fund that has \$14 million funded annually for projects in or within one mile of municipalities. These projects have to have final approval by the Board of Transportation. Since July 1, 2000 there were 185 new projects funded. The Contingency Fund has \$10 million funded annually for various transportation projects that have to be approved by the Secretary of Transportation. Since July 1, 2001 there were 113 new projects funded with the average cost being \$70,400. The Access and Public Service Road Fund is allocated \$2 million that is used to construct roads to new industrial type facilities in order to attract new industry to North Carolina. The public schools get the bulk of this money.

The Pilot Program was adopted by the General Assembly in 2000 to appropriate \$1.5 million from the Highway Fund to provide for minimal improvements in selected unpaved and non-system roads. The counties that qualified and the subdivisions that agreed to meet the minimal paving standards are outlined on page 15 of the handout. Questions and answers followed.

The chair adjourned the meeting at 9:57 a.m. with the next meeting to be held on Tuesday, April 3rd at 9:00 a.m.

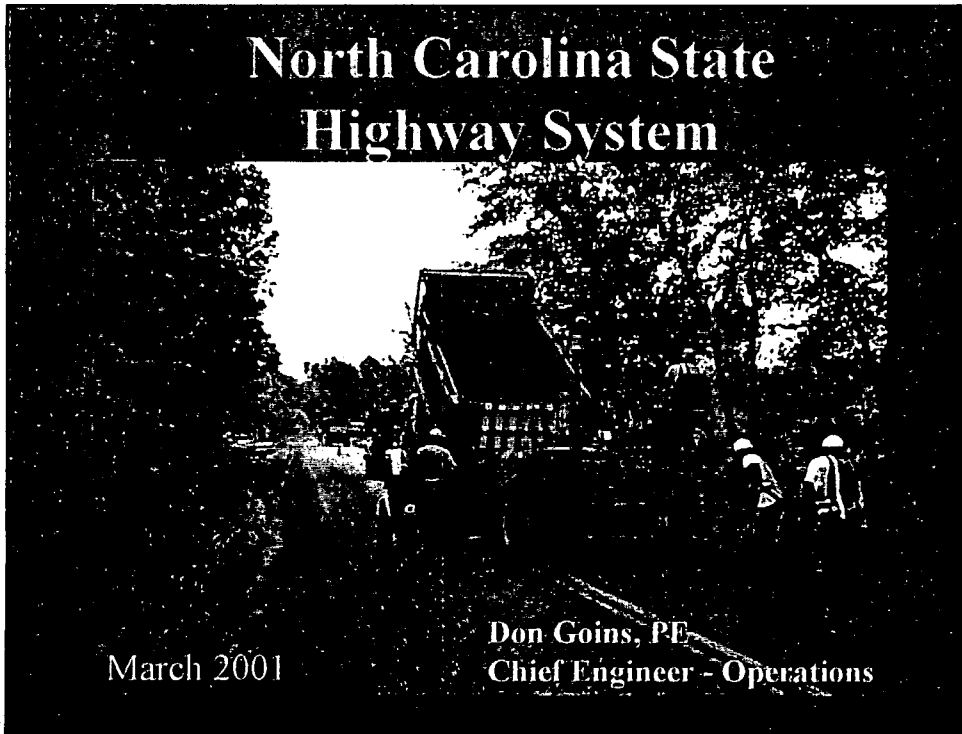
Respectfully submitted:



Representative Nelson Cole
Chairman, House Committee



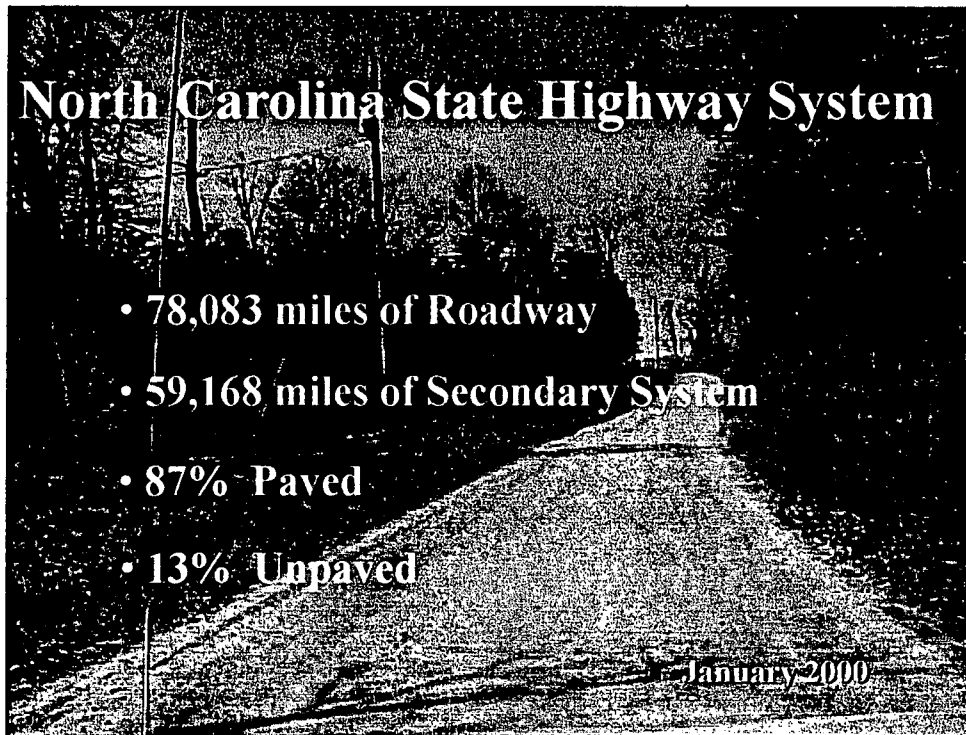
Suzanne Smith
House Legislative Committee Assistant



North Carolina State Highway System

March 2001

Don Goins, PE
Chief Engineer - Operations



North Carolina State Highway System

- 78,083 miles of Roadway
- 59,168 miles of Secondary System
- 87% Paved
- 13% Unpaved

January 2000

Secondary Road Construction Program

Funding is dictated by state law.

- Highway Funds - Generated by 1 3/4 cents per gallon of gasoline tax as required by G.S. 136-44.2A
- Trust Funds - Generated by a \$15 per vehicle title and registration fee plus 6.5 % of other Trust Fund collections as required by G.S 136-176(b)(4) and G.S. 20-85

Fiscal Year 2000-2001 Allocations

Trust Fund
\$ 84.63



Highway Fund
\$ 87.10

Projected Allocations for Fiscal Year 2001-2002

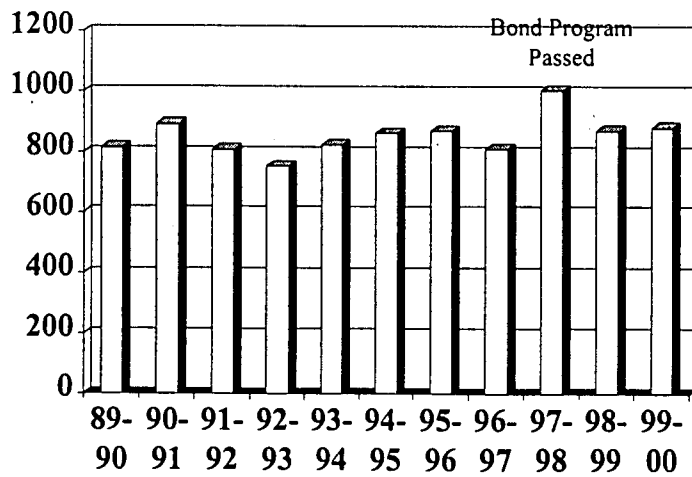
Trust Fund
\$ 81.97



Highway Fund
\$ 87.46

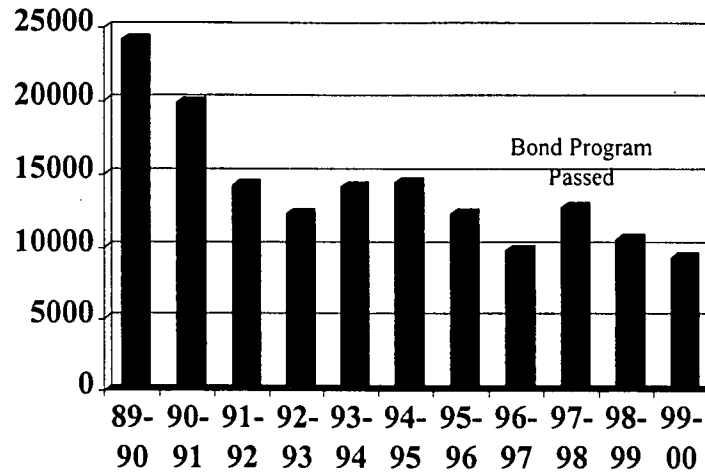


Statewide Totals of Miles Paved



9396 total miles over 11 years

Statewide Totals of Homes Served



154,055 homes over 11 years



FACTS (continued):

- Considering the current method of allocating funds and the current rate of paving, estimations are that it will take until around 2010 to pave the roads with 50 or greater ADT, and between 2016 to 2020 to complete all the roads in the state.
- The Department of Transportation does not purchase right-of-way for paving secondary roads. Right-of-way must be dedicated to the state free of charge.
- It should be noted that we have attempted to pave 717 miles of roads on which right-of-way could not be obtained. Of this total, 621 miles are roads with a 50 or greater ADT.

Highway Fund

G.S. 136-44.5

COUNTY ALLOCATION FORMULA

(USED FOR ALLOCATION OF INITIAL \$68,670,000 OF
SECONDARY ROAD CONSTRUCTION FUND)

COUNTY ALLOCATION	=	STATEWIDE APPROPRIATION FOR SECONDARY CONSTRUCTION	X	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">NUMBER OF UNPAVED STATE MAINTAINED SECONDARY ROADS IN THE COUNTY</td> <td style="border-left: 1px solid black; border-right: 1px solid black; text-align: center;">/</td> <td style="text-align: center;">TOTAL NUMBER OF UNPAVED STATE MAINTAINED SECONDARY ROADS IN STATE</td> </tr> </table>	NUMBER OF UNPAVED STATE MAINTAINED SECONDARY ROADS IN THE COUNTY	/	TOTAL NUMBER OF UNPAVED STATE MAINTAINED SECONDARY ROADS IN STATE
NUMBER OF UNPAVED STATE MAINTAINED SECONDARY ROADS IN THE COUNTY	/	TOTAL NUMBER OF UNPAVED STATE MAINTAINED SECONDARY ROADS IN STATE					

Highway Fund

G.S. 136-44.5

COUNTY ALLOCATION FORMULA

(USED FOR ALLOCATION OF HIGHWAY FUNDS IN EXCESS OF \$68,670,000)

$$\begin{array}{l} \text{COUNTY} \\ \text{ALLOCATION} \end{array} = \begin{array}{l} \text{STATEWIDE APPROPRIATION} \\ \text{FOR SECONDARY CONSTRUCTION} \end{array} \times \frac{\begin{array}{l} \text{NUMBER OF UNPAVED STATE} \\ \text{MAINTAINED SECONDARY ROADS} \\ \text{IN THE COUNTY WITH 50 OR MORE} \\ \text{AVERAGE DAILY TRAFFIC VOLUME} \end{array}}{\begin{array}{l} \text{TOTAL NUMBER OF UNPAVED} \\ \text{STATE MAINTAINED SECONDARY} \\ \text{ROADS IN STATE WITH 50 OR MORE} \\ \text{AVERAGE DAILY TRAFFIC VOLUME} \end{array}}$$

Trust Fund

G.S. 136-44.5

COUNTY ALLOCATION FORMULA

(USED FOR ALLOCATION SECONDARY TRUST FUND)

$$\begin{array}{l} \text{COUNTY} \\ \text{ALLOCATION} \end{array} = \begin{array}{l} \text{STATEWIDE APPROPRIATION} \\ \text{FOR SECONDARY CONSTRUCTION} \end{array} \times \frac{\begin{array}{l} \text{NUMBER OF UNPAVED STATE} \\ \text{MAINTAINED SECONDARY ROADS} \\ \text{IN THE COUNTY WITH 50 OR MORE} \\ \text{AVERAGE DAILY TRAFFIC VOLUME} \end{array}}{\begin{array}{l} \text{TOTAL NUMBER OF UNPAVED} \\ \text{STATE MAINTAINED SECONDARY} \\ \text{ROADS IN STATE WITH 50 OR MORE} \\ \text{AVERAGE DAILY TRAFFIC VOLUME} \end{array}}$$

Annual Secondary Road Improvement Program

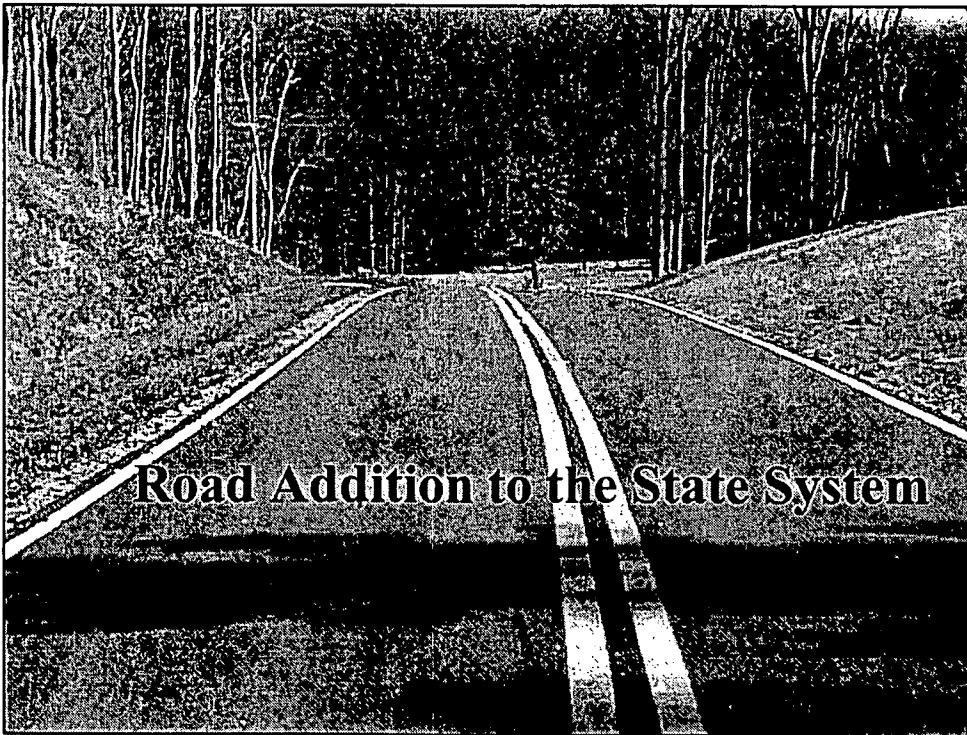
- G.S. 136-44.8 requires that annual improvement programs be presented to each County Board of Commissioners at a meeting advertised to the public.
- Paving projects must be in priority sequence based upon a statewide criteria adopted by the Board of Transportation.
- The Board has approved two priority lists in each county - one for rural roads and one for subdivision/residential roads.
- In addition to new paving, improvement criteria adopted by the Board allows for county construction funds to be used for improving paved roads (widening and strengthening), replacing small bridges with pipe, spot stabilizing unpaved roads, and safety improvements.

Ratings for Unpaved Secondary Roads Rural

- Homes (6 pts per home - seasonal homes 3 pts.)
- Schools (10 pts. per school)
- Churches (10 pts per church)
- Businesses (10 pts per business)
- Industries (10 pts per industry)
- Recreational Facilities (Public and/or Non-Profit)
(5 pts per facility)
- Sub-Total divided by the length if greater than one mile

Ratings for Unpaved Secondary Roads **Residential - Subdivision**

- Homes (6 pts per home - seasonal homes 3 pts.)
- Schools (10 pts. per school)
- Churches (10 pts per church)
- Businesses (10 pts per business)
- Industries (10 pts per industry)
- Recreational Facilities (Public and/or Non-Profit)
(5 pts per facility)
- Sub-Total divided by a length



Requirements for Addition to the State Maintained System of Roads

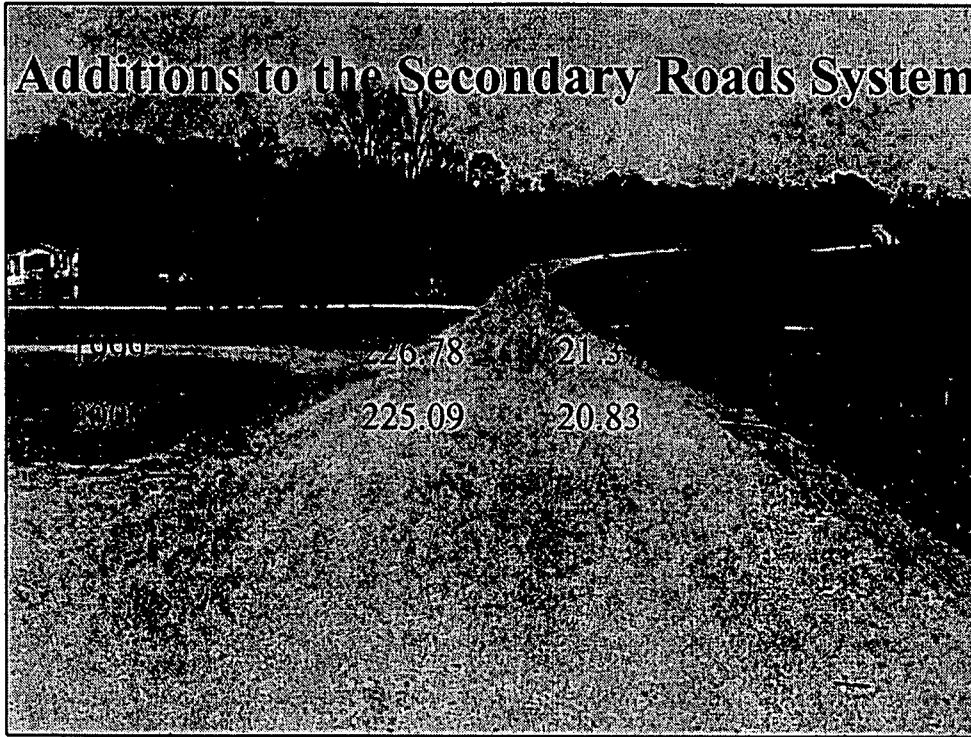
Rural Roads

- Property owners must dedicate free-of-charge, to the Division of Highways, the necessary right-of-way if such right-of-way is physically available.
- Roads less than one mile in length must have at least five (5) occupied residences fronting the road or with direct entrance to the road.
- Roads of one or more miles in length must have an average of five (5) occupied residences per mile fronting or having direct entrance to the road.
- There must be at least two (2) individual property owners on the road.
- The cost to put the road in acceptable maintenance condition must not be excessive for the amount of service which it will render.

Requirements for Addition to the State Maintained System of Roads

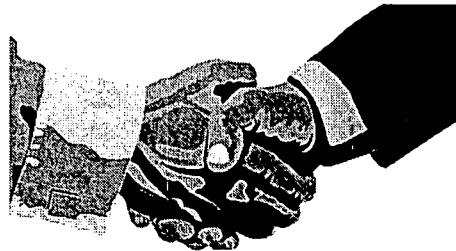
Subdivision Roads

- The property owners must dedicate the necessary right-of-way, free of charge, to the Division of Highways if such right-of-way is physically available.
- At least 20% of the lots bordering the street must be individually owned.
- There must be at least four (4) occupied residences fronting the street and at least two occupied residences for each one-tenth mile.
- The construction of subdivision streets must meet the minimum construction standards of the Division of Highways.
- Streets with right-of-way dedicated, recorded, or with preliminary approval from a County Planning Board, dated on or after October 1, 1975, must be paved to Division of Highways standards.



Special Programs

- Small Urban
- Contingency
- Access and Public Service Road



Small Urban Fund
\$14 Million Annually

- \$1 million for each 14 highway divisions
- Dedicated to projects in or within 1 mile of municipalities
- \$150,000 maximum per project per fiscal year
- Requests for funds received from municipalities, counties, businesses, schools, industries, and DOT staff
- Respective Board Member in each Division approves projects from this fund

Small Urban Fund (cont'd)
\$14 Million Annually

- Written requests sent to appropriate Division Engineer
- Project requests reviewed by a committee and approved by Secretary of Transportation
- Final approval by Board of Transportation
- 185 new projects since July 1, 2000 - Average \$58,600

Contingency Fund

\$10 Million Annually

- Dedicated to various transportation projects throughout the state
- President Pro Tempore of the Senate, Speaker of the House, and Secretary of Transportation sponsor projects from this fund
- Requests from funds received from municipalities, counties, businesses, schools, citizens, legislative members, and DOT staff
- Written requests sent to Secretary of Transportation

Contingency Fund (cont'd)

\$10 Million Annually

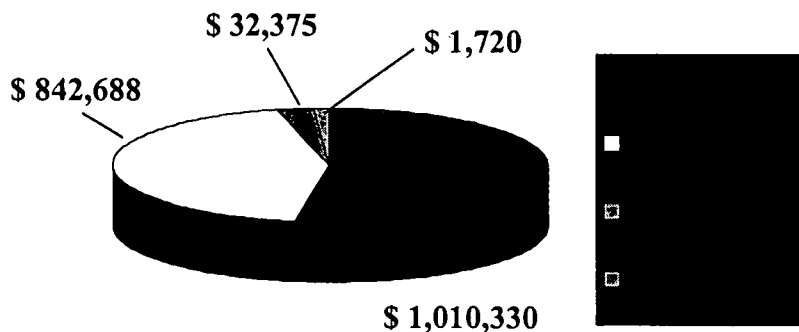
- Project requests reviewed by a committee and approved by Secretary of Transportation
- Final approval by Board of Transportation
- 113 new projects since July 1, 2000 - Average \$70,400

Access and Public Service Road Fund

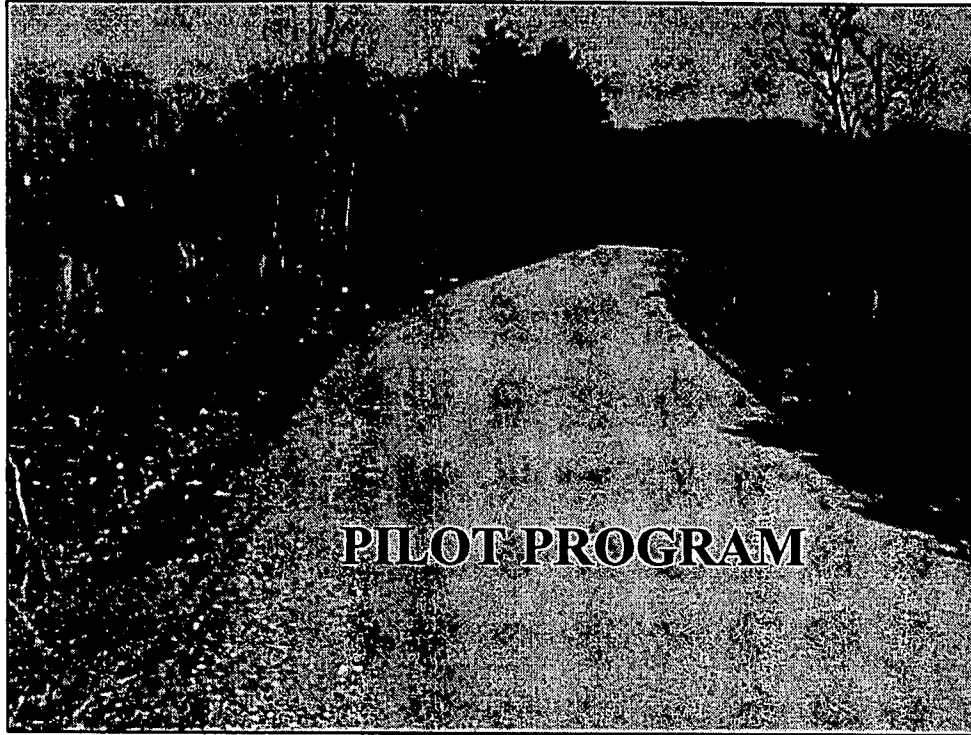
2000-2001 allocation of \$2 million -
projected 2001-2002 \$2 million

- This fund is used to construct roads to new industrial type facilities as a part of the statewide effort to attract new industry to North Carolina
- Industrial project expenditures are based upon the number of employees and initial investment by the company
- These funds are also used to construct school bus drives and stabilize bus parking areas, access roads to public medical facilities, public airports, etc.
- The Board of Transportation has established a \$50,000 ceiling on expenditures from this fund at each public school site

Access Expenditures for Fiscal Year 2000-2001



Total Dollar Amount: \$1,887,113



Unpaved Non-System Road Improvement Pilot Program

- Passed by 2000 session General Assembly, House Bill 1840 - Section 25.4(a) funds appropriated from the Highway Fund - \$1.5 million
- At least one county in each of the seven (7) funding distribution regions across the state shall be included in the Pilot Program
- The Pilot Program shall provide for the minimal improvements of selected unpaved, non-system roads

Unpaved Non-System Road Improvement Pilot Program

- The Department shall establish eligibility guidelines for the unpaved roads to be improved
- Participating county shall make a commitment not to allow any future subdivision development unless the roads are constructed to minimum state standards
- The pilot program will provide information showing the statewide total number of miles of unpaved roads and the projected additional cost of maintaining those roads

Selected Counties

As of January 4, 2001

Distribution Region	Division	County
Region A	1	Dare
	4	Halifax
Region B	2	Pitt
	3	
Region C	5	
	6	Bladen
Region D	7	
	9	Rowan
Region E	8	
	10	Union
Region F	11	Surry
	12	Alexander
Region G	13	
	14	

BOARD OF TRANSPORTATION
RATING SHEET FOR UNPAVED SECONDARY ROADS

RURAL

DEPARTMENT OF TRANSPORTATION – DIVISION OF HIGHWAYS

1997-00

_____ COUNTY

SR No. _____ From Road No. _____ to Road No. _____ Length _____ (Miles)

Local Name _____

I.

LAND USE AND PUBLIC SERVICE CHARACTERISTICS

- | | |
|---|-------|
| 1. Homes (6 pts. per home – seasonal homes 3 pts.) | _____ |
| 2. Schools (10 pts. per school) | _____ |
| 3. Churches (10 pts. per church) | _____ |
| 4. Businesses (10 pts. per business) | _____ |
| 5. Industries (10 pts. per industry) | _____ |
| 6. Recreational Facilities (Public and/or Non-Profit) (5 pts. per facility) | _____ |
| 7. Sub-Total | _____ |
| 8. Sub-Total divided by a length of not less than one mile | _____ |

II.

TRAFFIC CHARACTERISTICS

- | | |
|---|-------|
| 9. School Bus Route (10 pts.) | _____ |
| 10. Average Annual 24-Hour Traffic Volume | _____ |
| 11. TOTAL | _____ |

III.

GENERAL ROUTE CHARACTERISTICS

- | | |
|--|-------|
| 12. The value of the road as a County Thoroughfare Route (10 pts.) | _____ |
|--|-------|

- | | |
|---|-------|
| 13. TOTAL RATING (Item 8 + Item 11 + Item 12) | _____ |
|---|-------|

BOARD OF TRANSPORTATION
RATING SHEET FOR UNPAVED SECONDARY ROADS

RESIDENTIAL-SUBDIVISION

DEPARTMENT OF TRANSPORTATION – DIVISION OF HIGHWAYS

1997-00

_____ COUNTY

SR No. _____ From Road No. _____ to Road No. _____ Length _____ (Miles)

Local Name _____

I.

LAND USE AND PUBLIC SERVICE CHARACTERISTICS

- | | |
|---|-------|
| 1. Homes (6 pts. per home – seasonal homes 3 pts.) | _____ |
| 2. Schools (10 pts. per school) | _____ |
| 3. Churches (10 pts. per church) | _____ |
| 4. Businesses (10 pts. per business) | _____ |
| 5. Industries (10 pts. per industry) | _____ |
| 6. Recreational Facilities (Public and/or Non-Profit) (5 pts. per facility) | _____ |
| 7. Sub-Total | _____ |
| 8. Sub-Total divided by a length | _____ |

II.

TRAFFIC CHARACTERISTICS

- | | |
|---|-------|
| 9. School Bus Route (10 pts.) | _____ |
| 10. Average Annual 24-Hour Traffic Volume | _____ |
| 11. TOTAL | _____ |

III.

GENERAL ROUTE CHARACTERISTICS

- | | |
|--|-------|
| 12. The value of the road as a County Thoroughfare Route (10 pts.) | _____ |
|--|-------|

- | | |
|---|-------|
| 13. TOTAL RATING (Item 8 + Item 11 + Item 12) | _____ |
|---|-------|

HOUSE PAGES:

Name:

Rae Rembert

Town:

Greensboro

Sponsor:

Rep. Jeffus

Name:

Katie Phillips

Town:

Spruce Pine

Sponsor:

Rep. Buckannan

SENATE PAGES:

Name:

Tripp Carroll

Town:

Charlotte

Sponsor:

Sen Weinstein

Name:

Town:

Sponsor:

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 3, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

State Highway Patrol Budget Presentation

Bryan E. Beatty, Secretary, Department of Crime Control and Public Safety
Colonel Richard W. Holden Sr., Commanding Officer, State Highway Patrol
Greg McLeod, General Counsel, Department of Crime Control and Public Safety

General Services/Capital Budget

Cameron Lee, DOT

Joint Appropriations Subcommittee on Transportation
Tuesday, April 3, 2001
9:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Tuesday, April 3, 2001 in Room 1228 of the Legislative Building. Five Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Coates, Gulley, McAllister, Saunders. Senator Wib Gulley presided.

Senator Gulley asked Bryan Beatty, Secretary of the Department of Crime Control and Public Safety to give opening remarks regarding the Department. Secretary Beatty highlighted several recent emergencies dealt with by the Department. He also spoke about Butner Public Safety and law enforcement support services provided by the Department. Secretary Beatty also reviewed for the Committee the Victim's Compensation and Justice Program, the Boxing Commission and other items crucial to the safety of the State.

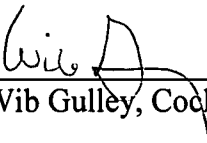
Next, Colonel Richard Holden, Sr., Commanding Officer of the State Highway Patrol, gave a presentation on the North Carolina Highway Patrol (Handout #1). Colonel Holden told the Committee that the Highway Patrol had four primary goals: (1) ensure safe, efficient transportation on streets and highways, (2) provide excellent service, (3) improve employee well being and satisfaction, and (4) expand the use of technology.

Colonel Holden also told the Committee that the number of miles of road and the number of drivers have increased and the responses to Patrol calls have increased, but the number of troopers has not kept pace. A discussion followed regarding the DMV officers and the Highway Patrol troopers and the differences in their responsibilities. Representative Cole stated that he thought that perhaps the Highway Patrol districts had too many supervisors. Senator Gulley added that the need for that number of supervisors could be looked at.

Next, Colonel Holder reviewed the aviation unit of the Highway Patrol. He told the Committee there was 14 aircraft currently in the fleet. He said 13 of the aircraft were federal surplus and the newest helicopter was a 1971 model. The aircraft can search, but are not equipped to rescue because they do not have cable wench, and it is not feasible to add them because of the cost. Senator Berger asked if other government agencies had aircraft and Colonel Holden replied that Charlotte had a helicopter, but that most municipalities called on the Highway Patrol for assistance.

Senator Rucho then stated that perhaps the Highway Patrol could rent tower time on the CJIN towers. Colonel Holden added that there is a partnership with other agencies that have towers. Mike Hodgson with the Highway Patrol further stated that any money from leasing the Highway Patrol CJIN towers would go back to the general fund and the Highway Patrol would maintain the equipment without any revenue flow from the rental.

The meeting was adjourned at 10:00 AM




Senator Wib Gulley, Cochair



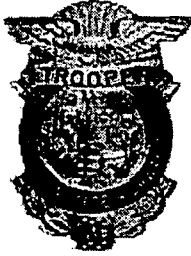
Carol Resar, Committee Clerk

North Carolina State Highway Patrol
*2001 Report to Joint Appropriations
Subcommittee on Transportation*




Presented by:
Colonel Richard W. Holden, Commander

**An Overview of North Carolina's
State Highway Patrol**



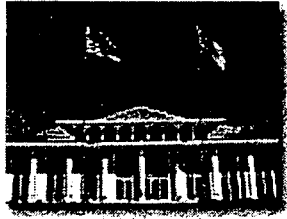
History of the Highway Patrol



- Created in 1929 by the General Assembly
- Statutory authority is set out in N.C.G.S. §20-188

Statutory Responsibilities

- Patrol the highways and roads of the state
- Enforce the motor vehicle laws
- Assist the motoring public

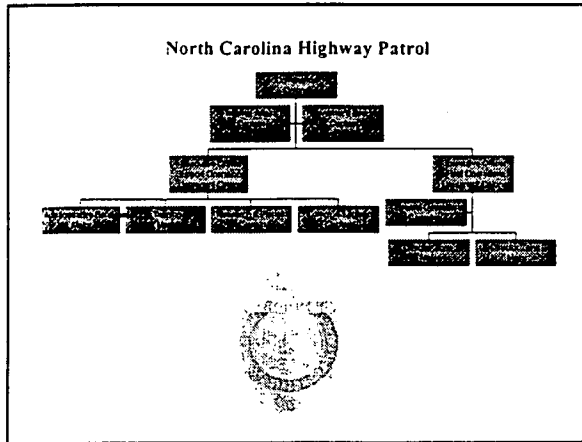


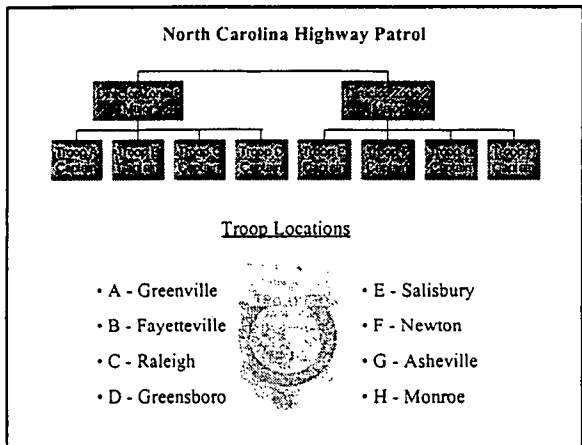
Overview of the State Highway Patrol

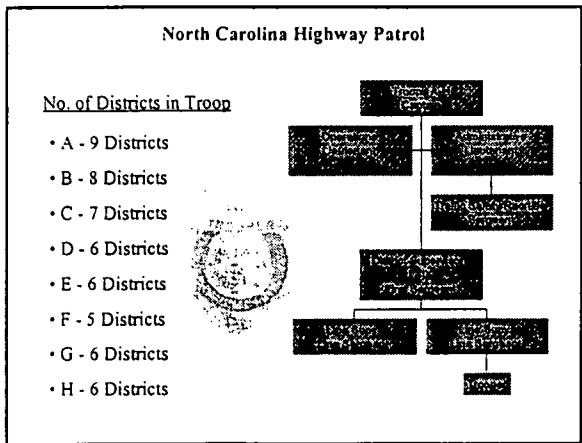
- One of nine divisions under the Department of Crime Control and Public Safety
- Largest state law enforcement agency
- Para-military organization in structure
- Authorized complement of 1,445 sworn members and 431 civilian support staff.

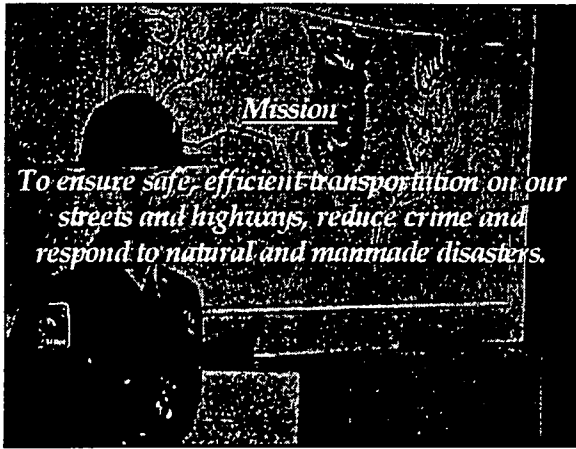
Overview of the State Highway Patrol (Continued)

- Headquartered in Raleigh
- Maintains eight primary facilities in the form of Troop Headquarters
 - oversee Patrol operations in a particular geographic area
 - house Patrol administration
 - maintain Telecommunications Centers and garages





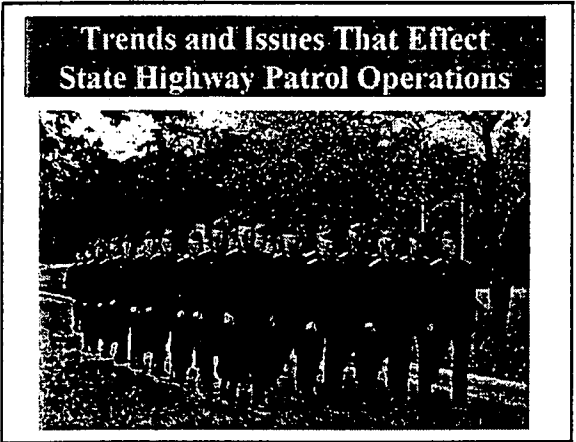




The Mission is supported by four primary goals:

- (1) *Ensure safe, efficient transportation on streets and highways.*
- (2) *Provide excellent service*
- (3) *Improve employee well-being and satisfaction*
- (4) *Expand the use of technology*


A summary copy of the Patrol's 2001 Strategic Plan is contained in your presentation packet.



Example of Ineffective Aviation Unit Limitations

- Hurricane Floyd: 1999**
 - helicopter rescues were limited to notifying local authorities for attempted boat rescues
 - Governor Hunt needed to request helicopter resources from federal and out-of-state agencies increasing critical response times
- Pitt County: 2001**
 - Authorities had to get a military search and rescue helicopter from Cherry Point to save lost hunters
- Alamance County: 2001**
 - SHP helicopters could not rescue two boaters whose boat had tipped over

Efficiencies of North Carolina's State Highway Patrol



The State Highway Patrol has focused on ways to make processes more efficient (and inexpensive)

- Instituted a new managerial philosophy in 1997 known as Total Quality Management
- New philosophy has allowed Patrol leadership to look at new and innovative ways of managing resources
- Realized tangible results

Cost saving measures

• Saved an estimated \$1,300 by eliminating a third copy of the warning ticket

- Eliminating the Gasoline Voucher Ticket in 1998 has saved an estimated \$18,000
- Partnered with DMV to develop a shorter "animal collision form"--saving an estimated 2,347 man-hours
- Changed the color scheme of its marked patrol vehicles in 1997



• Before 1997 vehicles were factory painted silver on the top and black on the bottom

• This process required vehicles be repainted when re-oid

• This process involved a lot of work and cost



• Vehicles are now factory painted silver and a black decal placed on the center of the car

• Current process eliminates the need to repaint the vehicle

• This process is a lot easier and less expensive

The Highway Patrol received \$480,564 from the General Assembly last year to pay trooper overtime in lieu of compensatory time.



- Enables the Patrol to put more troopers on the road
- Cheaper to pay overtime than create new positions
- Patrol has saved \$269,801.38.

The Patrol's use of grants

Patrol has obtained \$5,811,729 in outside funding since February 1998.

- This funding has made it possible for the Patrol to purchase:
 - Mobile Data Computers
 - In-car video cameras
 - Bulletproof vests
- Necessary equipment to continue development of the Criminal Justice Information Network
- Necessary defibrillator machines

Response to the State's projected budget shortfall

Limiting new uniform purchases (est. savings \$268,000)

- Discontinued commercial car wash contracts (est. savings \$50,000)
- Discontinued use of collision folders (est. savings \$12,358)
- Began leasing, not purchasing, telecommunicator uniforms (est. savings \$6,883)

**The State Highway Patrol Has
Been Honored by Outside
Agencies for its Successes**





- Recognized in February 2000 by the *N.C. Quality Leadership Foundation (NCQLF)* for efforts to achieve organizational performance excellence
- Received Commitment Award
- Thought to be the **first law enforcement agency** in the country to receive an award of this type.



- Accredited in July, 2000 by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA)
- **Largest law enforcement agency in the state to be accredited**

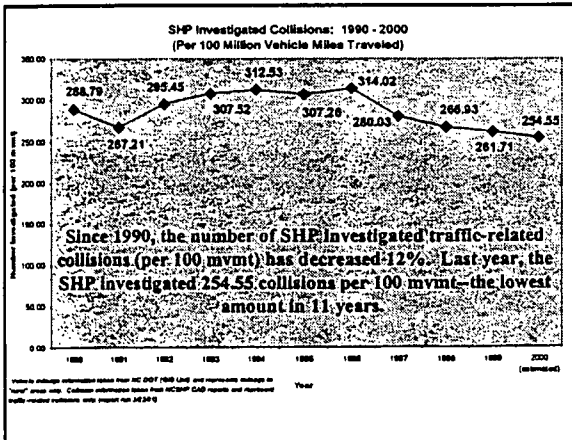
Only 7 other state highway patrol agencies
have received this honor.



- In the private sector the bottom line is financial
- Our bottom line is *saving lives*

The State Highway Patrol has three primary outcome indicators:

- Reduce traffic-related collisions per 100 million vehicle miles traveled (mvmt).
- Reduce traffic-related fatalities per 100 mvmt
- Reduce percent of total collisions that were alcohol/drug related




NEW ENFORCEMENT

"While we were genuinely impressed with the uniformity and compliance of the agency's law enforcement practices, we were most affected by the people that we met. Without exception, the Highway Patrol personnel, both sworn and civilian, greeted us with enthusiasm and pride. They were aware of our role, confident in their operations, and eager to share information."

- Taken from the report recommending accreditation, filed by the Highway Patrol, April 2000

ACCREDITED



Handout #2

Goal 4: Expand the Use of Technology

Objective 4.1: Equip communication centers with 800 MHz compatible consoles and all Patrol personnel with 800 MHz voice trunked radios.

Strategy 4.1: Complete equipment installation following a planned multi-phased process.

Objective 4.2: Complete all aspects of CJIN 800 MHz voice trunking network, including statewide digital microwave network.

Strategy 4.2: Commanding Officer or designee will identify and obtain sufficient annual funding and pursue a partnership with UNC-TV Public Broadcasting to implement voice trunking and digital microwave systems based upon a planned multi-phase process.

Objective 4.3: Complete CJIN Mobile Data Network (MDN).

Strategy 4.3: Completely install the CJIN Mobile Data Network following a planned multi-phase process.

Objective 4.4: Equip all Patrol vehicles with a mobile data computer.

Strategy 4.4: Complete initiative to equip all Patrol vehicles with a mobile data computer following a planned multi-phase process.

Objective 4.5: Expand the State Highway Patrol Intranet and upgrade existing personal computer hardware and software.

Strategy 4.5: Install systems and connectivity in district substations, upgrade computer hardware and software in Troop Communication Centers. Enhance Intranet bandwidth. (Hardware and software should be compatible with technology standards for the State of North Carolina established by the Information Resource Management Commission [IRMC].)

Objective 4.6: Implement an automated process/procedure to fund technology and equipment upgrades.

Strategy 4.6: The Technology Appropriations Team appointed by the Quality Management Board consisting of representatives from Field Operations, Communications & Logistics, Research & Planning, and Information Management Unit will collaborate in the development of a budgetary process providing annual funding which is dedicated for technology and equipment upgrades.

**2001
STRATEGIC PLAN**



North Carolina State Highway Patrol
4702 Mail Service Center
Raleigh, NC 27699-4702
(919) 733-7952 • www.ncshp.org

**An Internationally Accredited
Agency**

Our Mission

The mission of the North Carolina State Highway Patrol is to ensure safe, efficient transportation on our streets and highways, reduce crime, and respond to natural and manmade disasters. This mission will be accomplished, in partnership with all levels of government and the citizens of North Carolina, through quality law enforcement services based upon high ethical, professional, and legal standards.

Our Core Values

Loyalty Professionalism Integrity

Goal 1: Ensure Safe, Efficient Transportation on our Streets and Highways

Objective 1.1: Reduce the rates of vehicle collisions and fatalities.

Strategy 1.1: Increase use of safety restraints and target aggressive, impaired, and speeding drivers. Identify and target high accident areas by utilizing computerized collision data and increase traffic safety awareness.

Objective 1.2: Improve management of traffic on interstate highways and major thoroughfares during emergencies or blockages.

Strategy 1.2: Partner with the Department of Transportation and allied law enforcement and emergency response agencies to establish a systematic approach to resolving emergencies or blockages on interstate highways and major thoroughfares.

Goal 2: Provide Excellent Service

Objective 2.1: Improve total quality management practice

Strategy 2.1: Troops will prioritize and select processes for improvement and improve processes.

Objective 2.2: Improve customer satisfaction.

Strategy 2.2: Establish baseline from CY2000 customer survey sent to random sampling of North Carolina licensed drivers. Develop and implement plans to improve customer satisfaction.

Objective 2.3: Improve relations with partners.

Strategy 2.3: Identify and prioritize partners, conduct meetings with key partner groups, and develop and implement systematic process to improve partnerships

Objective 2.4: Increase allotments for uniformed members to meet Police Automated Manpower Allocation (PAMA) requirements along with a proportionate ratio of support staff.

Strategy 2.4: Revise current PAMA and develop an allocation process for support personnel. Patrol Commander will present personnel allocation plan to the legislature

Objective 2.5: Establish process for securing replacement equipment.

Strategy 2.5: Patrol Commander appoints Equipment Replacement Study Committee. Equipment replacement team makes recommendation to Patrol Commander. Patrol Commander implements or rejects replacement study recommendations.

Goal 3: Improve Employee Well-Being and Satisfaction

Objective 3.1: Increase sworn employee wellness.

Strategy 3.1: Establish a database of health factors, physical fitness, and history of injury for current and retired troopers that will allow the Patrol to

identify key elements of a law enforcement career that impact survival and function. Use database to define risk factors for illness and injury. Design interventions to reduce the impact of specific risk factors on illness and injury.

Objective 3.2: Reduce the effects of critical incident stress among employees and their families.

Strategy 3.2: Increase the number and availability of Member Assistance Team (MAT) members by appointing and training members to replace those who have retired or been promoted. Improve the skills of MAT members by providing training in one SHP seminar annually and with a quarterly newsletter. Provide training on critical incident stress, stress buffers, and management of stress effects to cadets and uniformed members in the annual inservice training.

Objective 3.3: Review and evaluate appraisal, certification board, and the Colonel/Secretary interview process of the sworn promotional system.

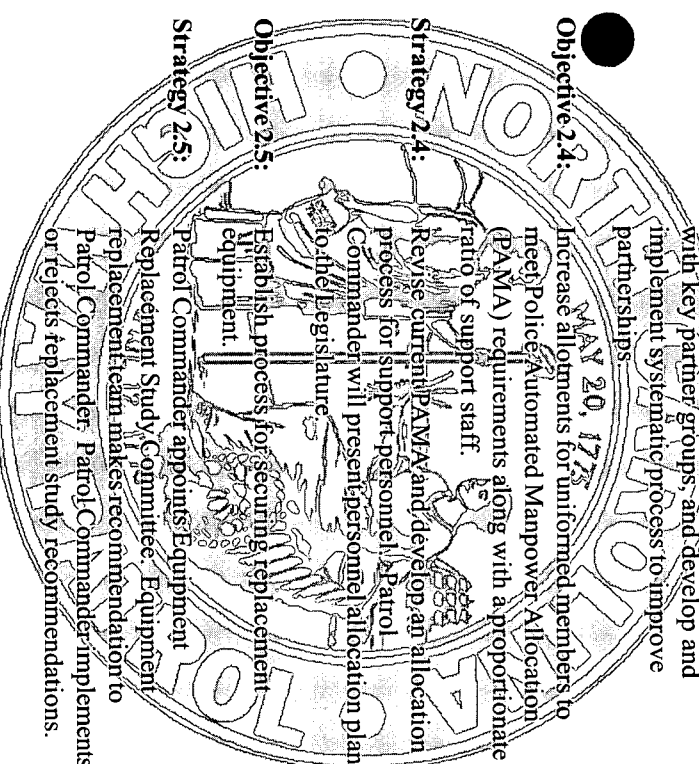
Strategy 3.3: Evaluate the appraisal, certification board, and the Colonel/Secretary interview process. Disseminate recommendations and findings to sworn employees.

Objective 3.4: Implement competency-based training plans.

Strategy 3.4: Conduct competency-based training needs analysis for all job classifications/type of job and implement competency-based training plans for all civilian/sworn positions

Objective 3.5: Identify strategies to improve civilian employee retention rate.

Strategy 3.5: Establish baseline on each job classification, survey current employees and those who resigned in 1999-2000, analyze the survey results and determine causes.



VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

April 3, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
M. Wallace Benton	NC-DOT
Cameron Lee	DOT
Ruth Sappie	NC DOT
Kelly Little	NCGA - Fiscal Research
MICHAEL HODGSON	NCSTP
David Munday	N.C. State Highway Patrol
RICHARD HOLDEN	N.C. STATE HIGHWAY PATROL
MIKE BARRHAM	CCPS
W.M. Aubrey	NC State Hwy. Patrol
Greg McLeod	CCPS
Dale McKeel	Scenic NC

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 3, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

State Highway Patrol Budget Presentation

Bryan E. Beatty, Secretary, Department of Crime Control and Public Safety
Colonel Richard W. Holden Sr., Commanding Officer, State Highway Patrol
Greg McLeod, General Counsel, Department of Crime Control and Public Safety

General Services/Capital Budget

Cameron Lee, DOT

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Cameron Lee, DOT

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

April 3, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
HOLT WATTS	MOTOROLA
DAVID HUSKINS	MOTOROLA
Bryan Beatty	CCPS
J Pinsky	AAA Carolinas
GILES PERRY	NCQA Staff
VL McBerete	YTD
Beau Mills	NC Metro Coalition
Jesse Long	MARTIN MARIE-THA
Ken Melton	Alley Associates
J Rungt	NCPTA
Michelle Frazier	NC Bar Assoc.

**JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE**

AGENDA

April 4, 2001
9:00am
Room 1228/1327LB

Chairs (Appropriations)

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Chairs (Oversight)

Representative Jim Crawford
Senator Wib Gulley

Report on Study of Department of Transportation Cash Management

Introduction

Evan Rodewald, Fiscal Research

Presentation

David Rose, Dye Management Group Inc.

MINUTES
JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT
APRIL 4, 2001

The Joint Appropriations Subcommittee on Transportation and the Joint Legislative Transportation Oversight Committee met jointly on Wednesday, April 4, 2001, in Room 1228/1327 of the Legislative Building at 9:00 a.m. Co-Chair Jim Crawford presided. Staff to the committee, Giles Perry, Evan Rodewald and Bob Weiss attended. Representative Crawford introduced the pages for the day. A visitor registration list is attached and made part of these minutes. The following members were present:

Appropriations Subcommittee on Transportation: Co-Chair Jim Crawford, Representatives Bowie, Blue, Cole, Coates, Davis, Dockham, Gulley, McAllister, Saunders, and Sutton. Seven Senate members were present.

Joint Legislative Transportation Oversight: Co-Chair Wib Gulley, Senators Carpenter, Horton, Hoyle, and Kerr; and Co-Chair Jim Crawford, Representatives Bowie, Coates, Cole, Justus, Saunders, and Sutton.

Report on Study of Department of Transportation Cash Management

Representative Crawford introduced Evan Rodewald to comment on DOT cash management. He said that the end of FY 2000, the cash balance for the Highway Fund and Highway Trust Fund was about \$1.1 billion, and DOT has access to \$700 million in bond authority. Last year Transportation Oversight contracted for a study of DOT cash management. Dye Management was chosen to conduct the study and make recommendations on cash balance targets, amounts that can be used to accelerate highway construction, safeguards to ensure DOT does not overspend, and ways of overcoming organizational, administrative or statutory impediments to effective use of DOT cash. Mr. Rodewald handed out and explained an example of cash financing compared to cash flow financing, the major differences being that with cash financing more dollars are needed up front and results in higher cash balances.

He then introduced David Rose to present the Dye Management report, indicating that the complete report was available for those desiring to see it. Mr. Rose had two handouts—the study executive summary and the presentation. The objectives include: understand how cash balances grew to current levels and provide forecasts, identify best practices that can be applied, determine target cash balances and examine opportunities for cash flow financing, prepare a blueprint for cash management, and develop a workable implementation plan. The approach taken was evaluating current practices, qualitative analysis and forecasts, risk assessment to establish cash targets and evaluating practices of other states. Their findings show a steady increase in the year-end balances. Forecasts of balances show that if the department can deliver \$1 billion yearly in

design/construction, then the balances will fall. Delivery of less results in a rise in balances.

Mr. Rose introduced Peter Mills with Dye Management to explain the chart of cash available on a one-time basis to accelerate highway construction (p.7 of handout). Mr. Rose highlighted information on amounts and weeks of cash balances from other states. Recommendations from the study are:

Policy

- Establish cash targets of \$290 to \$360 million in HWF and HF combined.
- Transition to cash flow basis for program delivery.

Overall Management

- DOT accountability for target accomplishment
- Establish financial planning committee
- Establish organizational capacity to transition to cash flow
- Reduce accrued unbilled balances
- Identify and implement changes to strengthen program and project delivery management
- Plan for use of long-term debt authority

Tools and Procedures

- Establish tools and monitoring systems

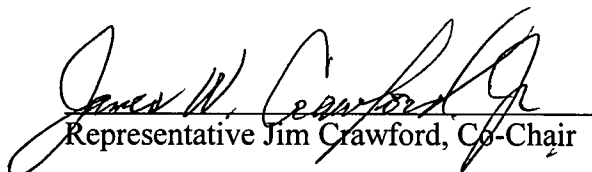
Statutory Changes

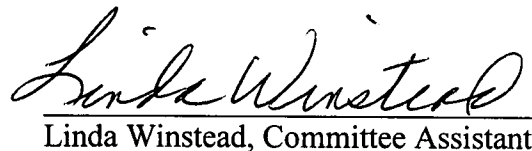
- Establish authority that allows loans from HTF to HF and vice versa
- Establish short-term borrowing
- Evaluate and implement changes to project eligibility (referred to p.16)

DOT has the authority to implement many of the recommendations; however, there are some statutory changes that would be necessary. Mr. Rose discussed the implementation chart showing steps can be taken immediately and flowing to 2003 (p.18).

Senator Gulley indicated that members would have further opportunity to discuss using cash flow and necessary legislation. He thanked the staff and DOT staff for their work on the contract process and commended Dye Management for its results.

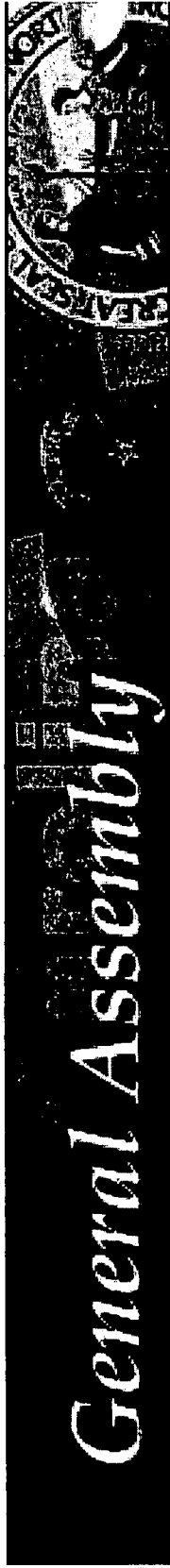
The meeting adjourned at 9:55 a.m.


Representative Jim Crawford, Co-Chair


Linda Winstead, Committee Assistant

Example: Two Ways of Financing a
 \$100 Million Construction Project
 (\$ millions)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
<u>1. Cash Financing</u>				
Funding Allocation	100	-	-	-
Project Expenditures	<u>15</u>	<u>40</u>	<u>30</u>	<u>15</u>
Balance	85	45	15	-
<u>2. Cash Flow Financing</u>				
Funding Allocation	15	40	30	15
Project Expenditures	<u>15</u>	<u>40</u>	<u>30</u>	<u>15</u>
Balance	-	-	-	-



Study of NCDOT Cash Management
Steering Committee Presentation

April 4, 2001

Presented by:

DYE MANAGEMENT GROUP, INC.



Study of NCDOT Cash Management

Topics

- ❖ **Study Objectives**
- ❖ **Approach**
- ❖ **Findings**
- ❖ **Recommendations**
- ❖ **Implementation Plan**



Study Objectives

- ❖ Understand how NCDOT's cash balances grew to current levels and provide medium term forecasts
- ❖ Identify best practices that can be applied to NCDOT
- ❖ Determine target cash balances and examine opportunities for "cash flow" financing
- ❖ Establish "blueprint" for improved cash management, including required changes in organization, accountability and business practices
- ❖ Develop workable implementation plan



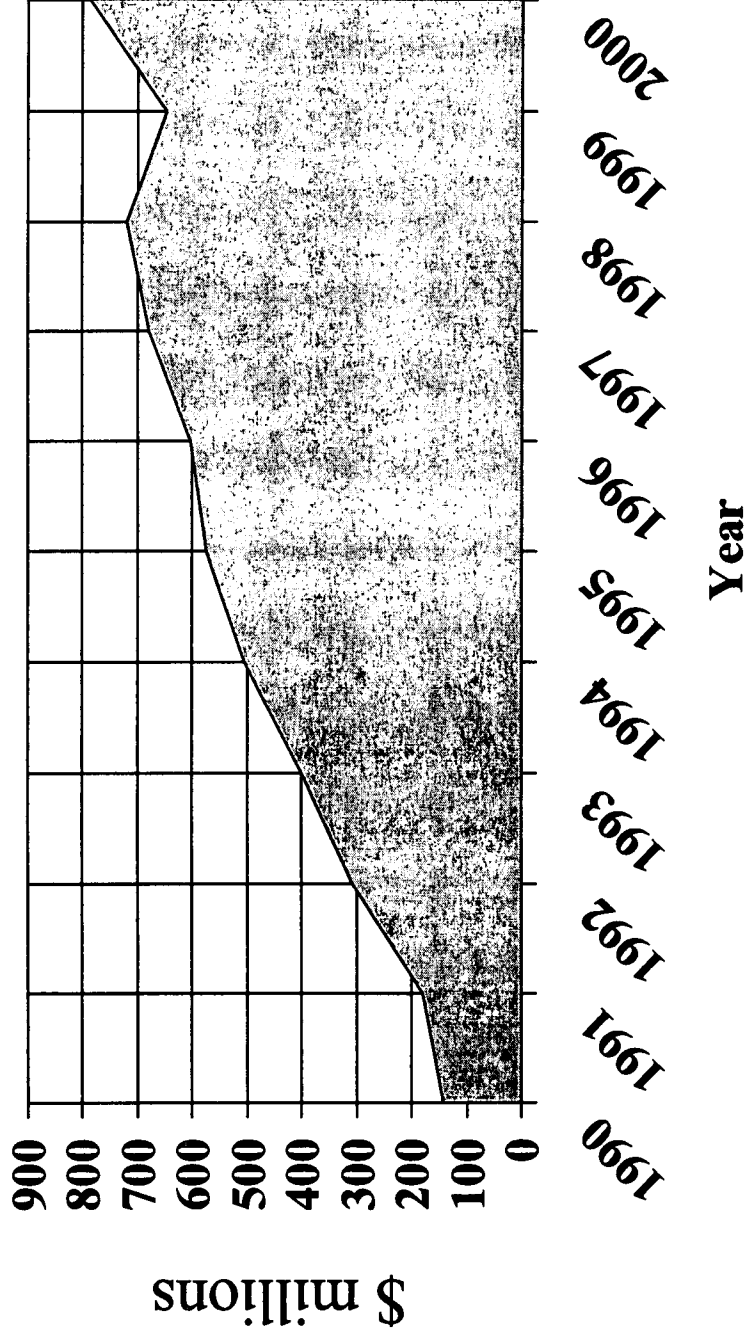
Approach

- ❖ **Evaluated current NCDOT cash management practices**
- ❖ **Performed extensive qualitative analysis and forecasts of NCDOT cash balances**
- ❖ **Developed risk assessment model to establish cash targets**
- ❖ **Evaluated NCDOT's cash management against best practices at other state DOTs**



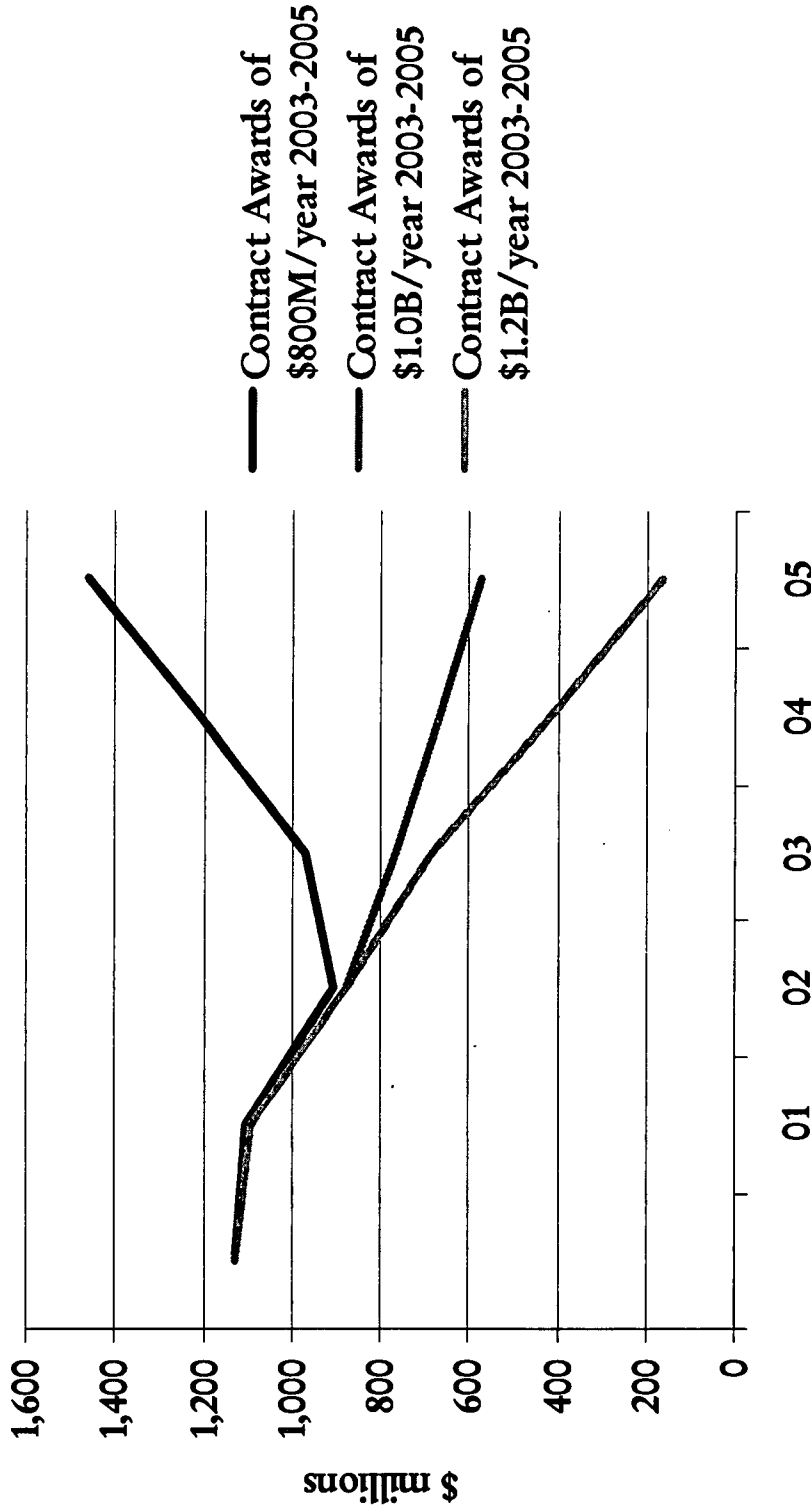
Findings: Year-End Balance

Highway Trust Fund





Findings: Medium-term Forecast of Balances

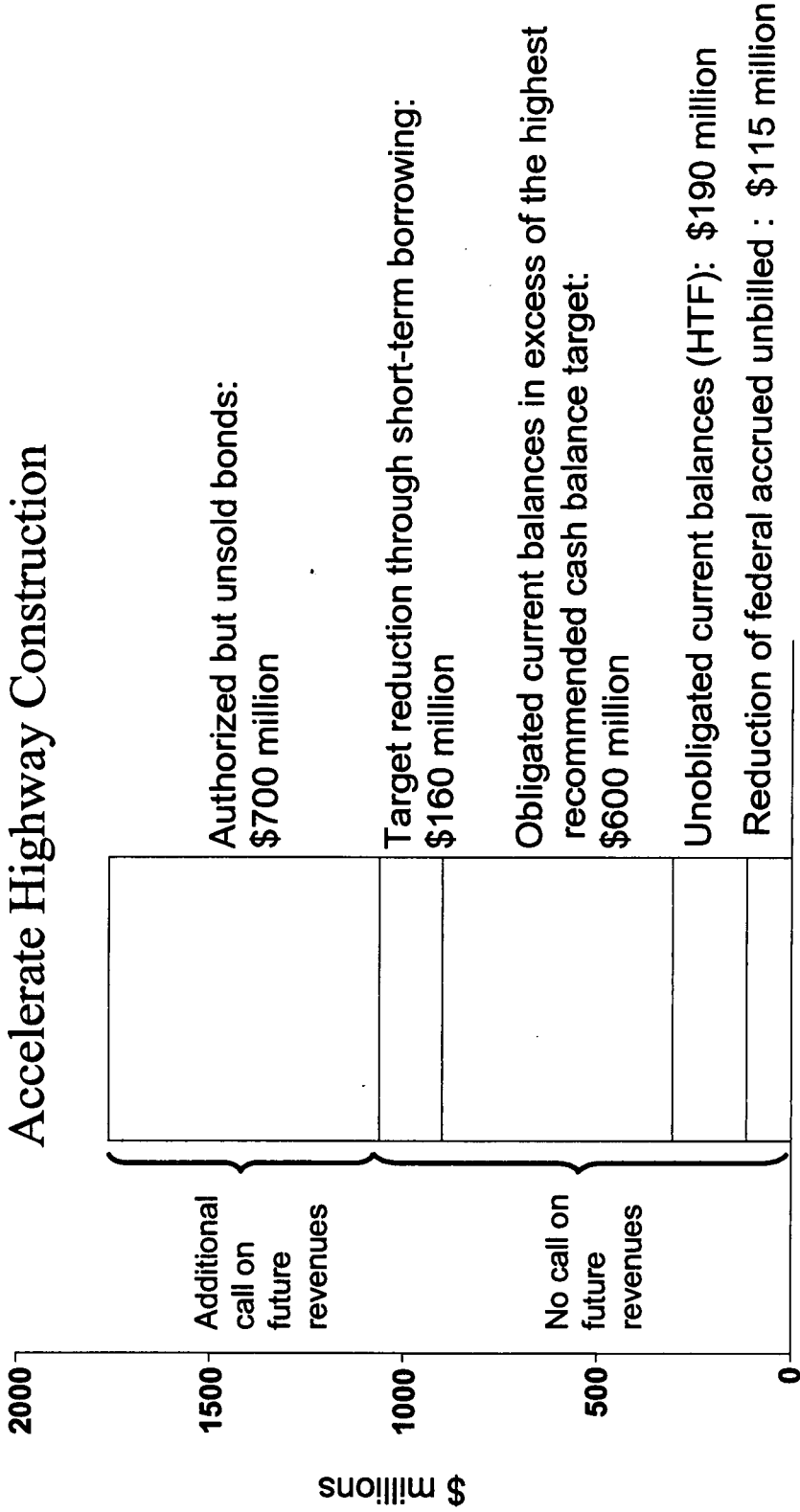


Fiscal Year ending June 30,



Findings: Cash Available on a One-Time Basis

Cash Available on a One-Time Basis to Accelerate Highway Construction



Findings: Best Practice -- Weeks of Cash

State	Cash Target (\$million)	Program/Expenditure Size (approximate)	Weeks of Cash on Hand (approximate)
Arizona	\$175 to 225	\$1.2 – 1.4 billion	8
Florida	\$50M or 5% of contract commitments	\$5 billion	1 to 2
Oregon	\$50	\$650 million	4
Tennessee	\$175	\$1 billion	9
Texas	\$75 to 125	\$3 billion	2 to 3
Virginia	\$50M or 5% of contract commitments	\$1.5 billion	2 to 3
Washington	\$250	\$1.25 billion	10
Alabama	\$250 to 350	\$1 billion	15
Kentucky	\$600	\$1.1 billion	28
North Carolina	\$1 billion (actual)	\$2 billion	25



Findings: Best Practice

- ❖ **Maintain low cash balances**
- ❖ **Cash managed by crossfunctional senior management team**
- ❖ **“Cash flowing”: cash-based programming and management**
- ❖ **Management information: models, tools and forecasting procedures**

Recommendations: NCDOT Policy

- ❖ **Establish cash targets of:**
 - ◆ **\$290 to \$360 million in Highway Trust Fund and Highway Fund combined**
- ❖ **Transition to cash flow basis for program delivery**
 - ◆ **Use available cash balances and bonding authority to accelerate highway construction program**



Requirements

- ❖ **Sufficient NCDOT management capability**
 - ◆ **Cash management controls**
 - ◆ **Ability to manage more projects**
- ❖ **Changes to statute**
 - ◆ **Pooling funds**
 - ◆ **Project eligibility constraints**
 - ◆ **Short-term borrowing**

Recommendations: Overall Management

- ❖ **Executive accountability for target accomplishment**
- ❖ **Establish financial planning committee**
- ❖ **Establish organizational capacity to transition to cash flow based program delivery regime**
 - ◆ **Staff training**
 - ◆ **Reporting mechanisms**



Recommendations: Overall Management

- ❖ **Reduce accrued unbilled balances**
- ❖ **Identify and implement changes to strengthen program and project delivery management**
- ❖ **Plan for use of long-term debt authority**

Recommendations: Tools and Procedures

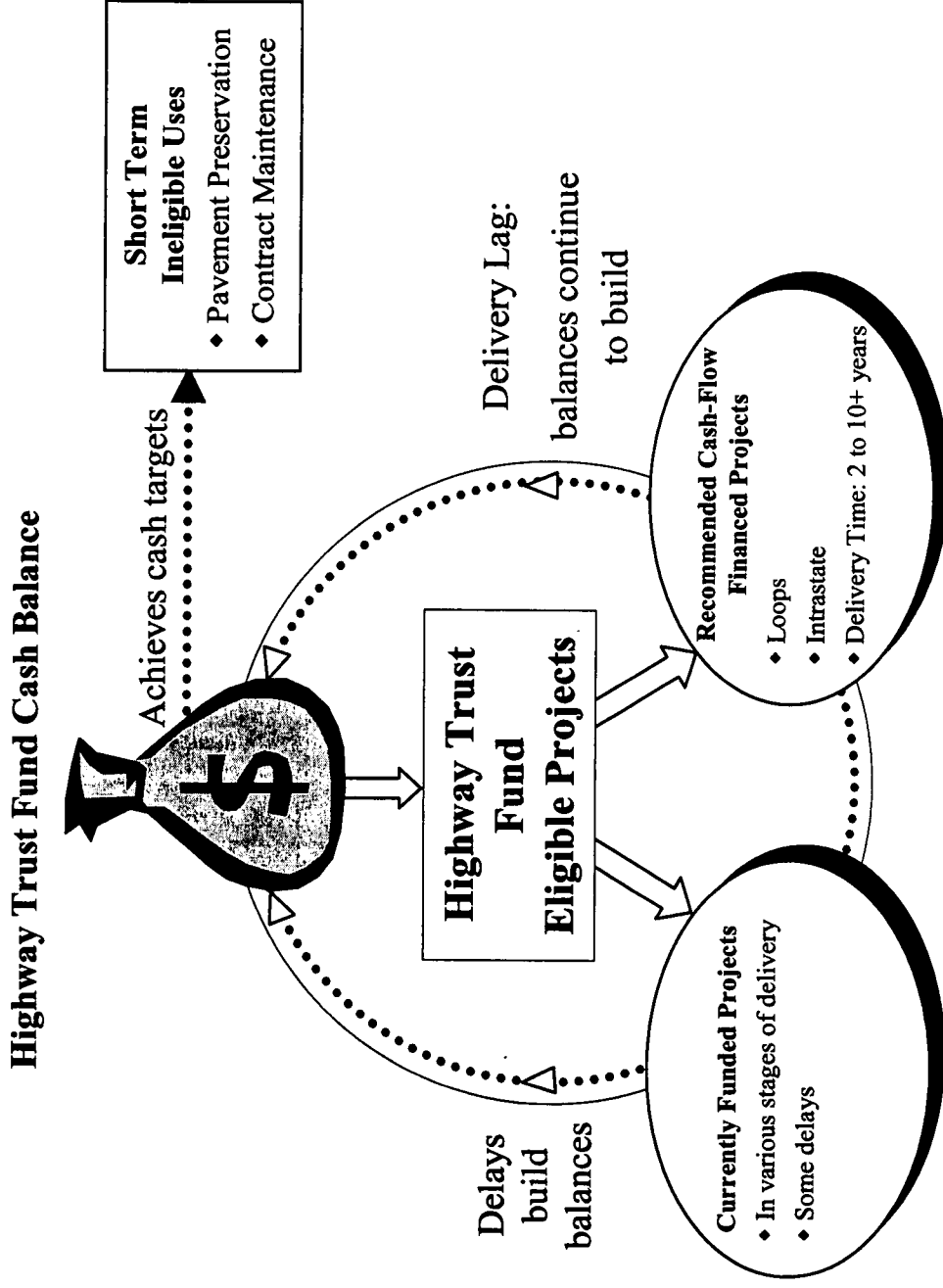
- ❖ **Establish tools and monitoring systems**
 - ◆ **Monthly cash flow monitoring**
 - ◆ **Revenue forecasting**
 - ◆ **Risk assessment**
 - ◆ **Program delivery monitoring**



Recommendations: Statutory Changes

- ❖ **Establish authority that allows loans from Highway Trust Fund to the Highway Fund, and vice versa**
- ❖ **Establish short-term borrowing**
- ❖ **Evaluate and implement changes to project eligibility to enable cash flowing**

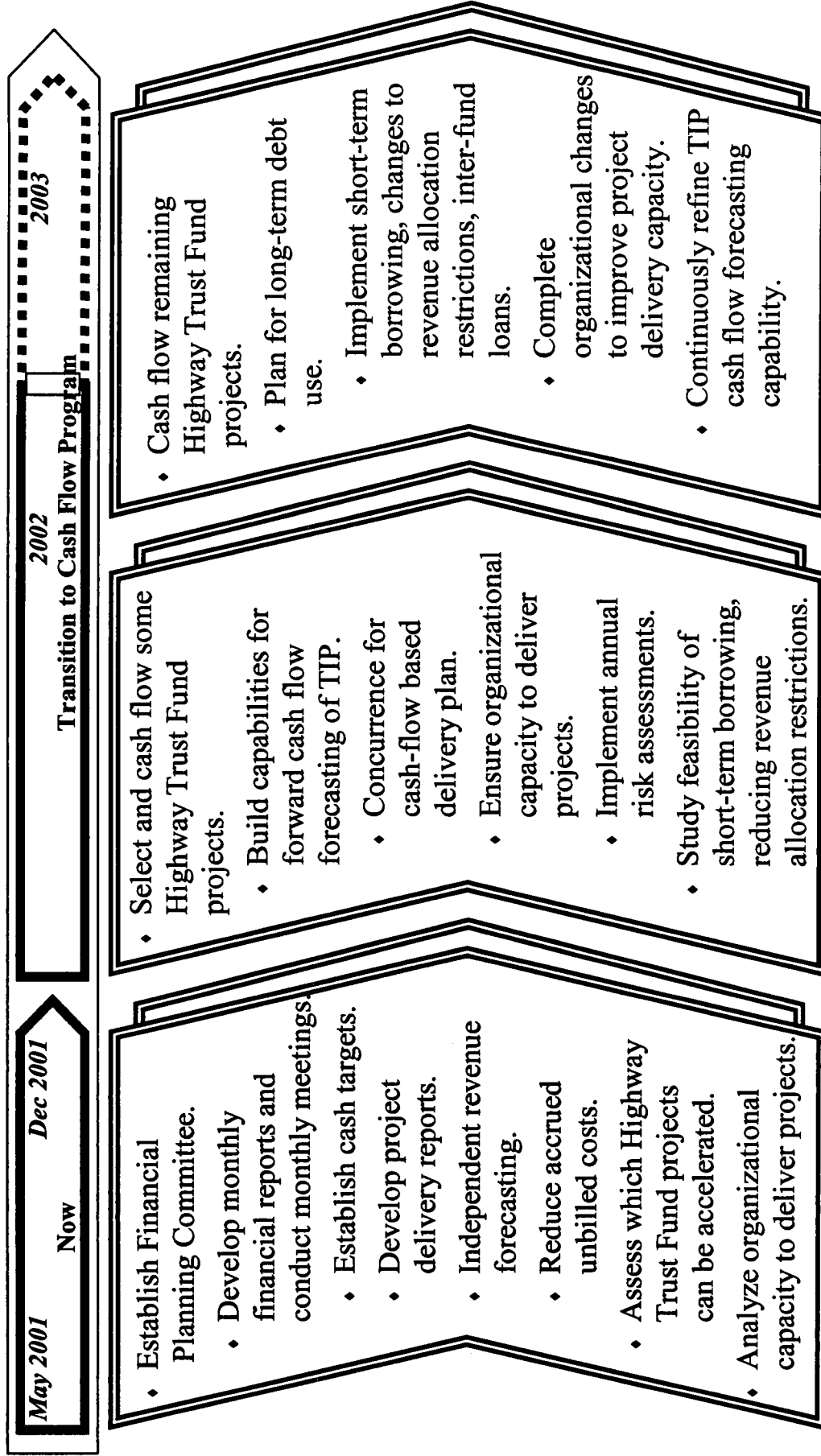
Recommendations: Changes to Project Eligibility



Implementation Plan: Authority

- ❖ **NCDOT executive management**
- ❖ **NCDOT management**
- ❖ **Legislative change**

Implementation Plan: Transition to Cash Flow



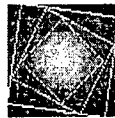
General Assembly



Study of NCDOT Cash Management

Executive Summary

Discussion Draft



Dye Management Group, Inc.

March 30, 2001

Executive Summary



This executive summary presents the findings and recommendations from a study of the North Carolina Department of Transportation's (NCDOT) cash balances and an assessment of opportunities and constraints for reducing them.

A. Study Purpose

The North Carolina General Assembly and the Joint Legislative Transportation Oversight Committee have a number of concerns regarding the increase in cash balances in the Highway Fund and Highway Trust Fund. Policy-makers are further concerned with the growing backlog of construction projects and maintenance needs.

The purpose of this study is to evaluate the current situation and to develop a plan of action that will establish a proactive cash management approach. The objectives of the study are to:

- Understand how NCDOT's cash balances grew to their current levels.
- Forecast the anticipated level of cash balances over the next three to five years under current revenue and expenditure patterns.
- Determine target cash balances based on an analysis of the variability in NCDOT's revenue and expenditure streams as well as best practices used at other state departments of transportation (DOTs).
- Examine opportunities for cash flow financing to accelerate highway construction in advance of revenues.
- Recommend a "blueprint for cash management" that recommends an overall approach, cash management policies, business objectives, and specifies cash targets.
- Identify and address the changes in organization, accountability, and business practices that would need to occur for NCDOT to successfully implement the "blueprint for cash management".

B. Issues and Perceptions

There are a number of issues and/or perceptions regarding the growth of cash balances that are addressed by this study. They include:

- **North Carolina has a large backlog of highway needs yet there is a balance of some \$850 million in the Highway Trust Fund.**

There is concern that the balances in the Highway Trust Fund and the Highway Fund have arisen because NCDOT is not using current revenue sources effectively to meet these needs.

- **The cash balances are largely committed to programmed projects that are taking longer to deliver than originally planned.**

The growth in cash balances has been the result of project delivery delays related to obtaining environmental permits, public consultation activities, right of way acquisition, and utility installation/relocation on new construction projects specified in the Highway Trust Fund.

- **Many of the projects specified in the Highway Trust Fund involve new construction, requiring many years of preconstruction.**

The Highway Trust Fund Legislation specified specific project improvements: intrastate, urban loops, and secondary roads. The specified new construction can take many years to complete due to right of way acquisition, environmental requirements and other factors. The issue raised is that it is the very nature of the projects specified in statute that has contributed to the build-up of contract balances.

- **Statutory requirements such as the Equity Distribution Formula and federal allocations limit the ability to alter the timing of projects.**

The Equity Distribution Formula and/or federal funding requirements have been a constraint on project delivery causing some projects with completed preliminary engineering to be deferred.

- **NCDOT has not pursued available opportunities to cash-flow project expenditures.**

The Department has not pursued available opportunities to cash-flow project construction expenditures in advance of revenues, as has been the practice in a number of states.

C. Methodology

The study approach involved a comprehensive fact-based analysis of the issues described above. This involved the following analysis steps:

- **Evaluated current policies, statutory requirements, controls, and business rules affecting cash management.**

This was accomplished through structured interviews with NCDOT staff and a comprehensive evaluation of NCDOT's policies, controls, and business practices that impact cash management.

- **Reviewed financial management controls and tools.**

A key element to improving cash management practices within any organization is the accuracy and timeliness of management information. The study included detailed analysis of the forecasting methodologies, management information systems, and other data that are available to monitor and forecast NCDOT's cash positions.

- **Assessed organizational roles and responsibilities.**

Using interview results and documented procedures, NCDOT's business objectives, organizational roles and responsibilities for each of the business areas affecting cash management was assessed.

- **Performed numerical analysis and forecasts of cash balances under NCDOT management.**

A data set was assembled from which NCDOT's cash balances were subject to a quantitative analysis. The analysis was structured to provide conclusions about the forces that caused the cash build up. A forecast of medium-term (three to five year) cash balances was developed that indicates expected changes to the balances if no further measures are taken to lower them.

- **A risk assessment model was built to develop recommended cash targets.**

A methodology was developed using NCDOT transaction data for an assessment of the risks of incurring overdrafts with the recommended cash targets.

- **NCDOT cash management practices were evaluated against best management practices in other state departments of transportation.**

A best management practices survey of comparable state departments of transportation was conducted.

D. Study Oversight

The study was performed by Dye Management Group, Inc., an independent management consulting firm with specialized expertise in state departments of transportation business practices and state-level financial management, for the North Carolina General Assembly.

The following oversight process was used to:

- **Study steering committee**

A steering committee comprised of members from the Joint Legislative Transportation Oversight Committee was established. Study findings and recommendations were presented through interim reports and briefings to the steering committee.

- **Established technical review team**

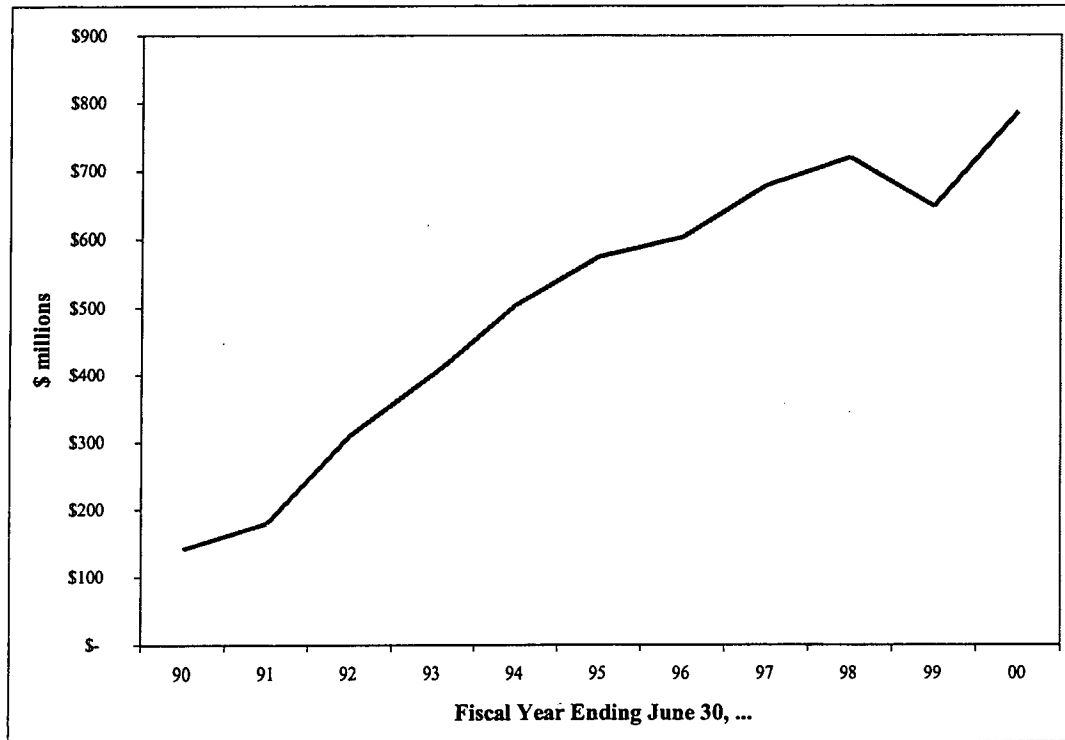
A technical review team involving NCDOT managers was established to provide input on the study approach and findings for accuracy.

E. Study Findings

1. Cash Balance History and Causes – Findings

As shown in Exhibit E-1, the Highway Trust Fund balance has increased steadily since its inception in 1989 to \$858 million as of June 30, 2000.

Exhibit E-1: Highway Trust Fund: Computed Year-End Cash Balances (1989 to fiscal year ending June 30, 2000)

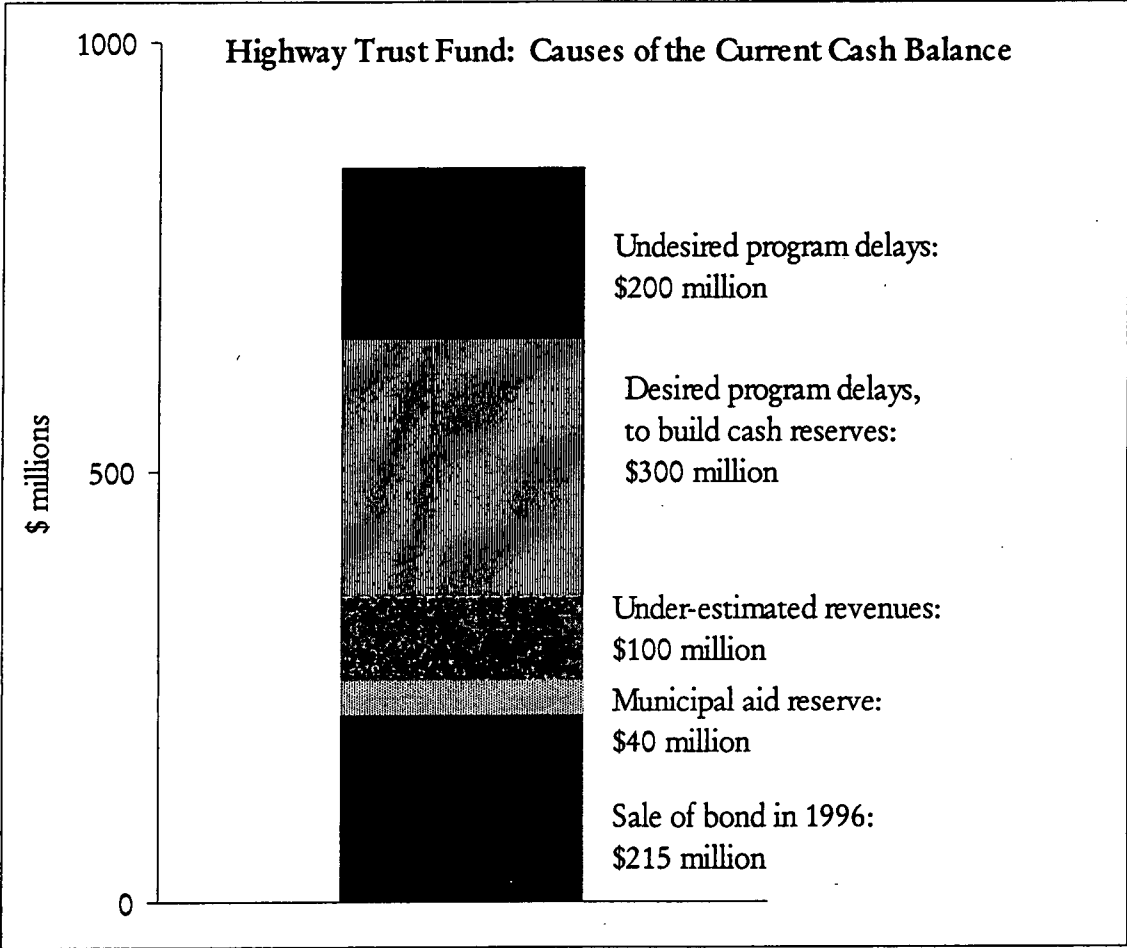


The Highway Fund had a closing balance of \$270 million on June 30, 2000.

The estimates of how the current cash balance of the Highway Trust Fund came to be over \$850 million, since 1989, are summarized in Exhibit E-2. As shown in Exhibit E-2 the growth in the Highway Trust Fund balance arose from the following sources:

- \$215 million came from the issuance of a highway bond in that amount in 1996.
- \$300 million is a necessary program delay to build cash reserves (working capital) to fund construction.
- \$100 million arose because revenues were underestimated.
- \$200 million is attributable to undesired program delivery delays.
- \$40 million is due to the municipal aid reserve.

**Exhibit E-2: Highway Trust Fund:
Causes of the Current Cash Balance**

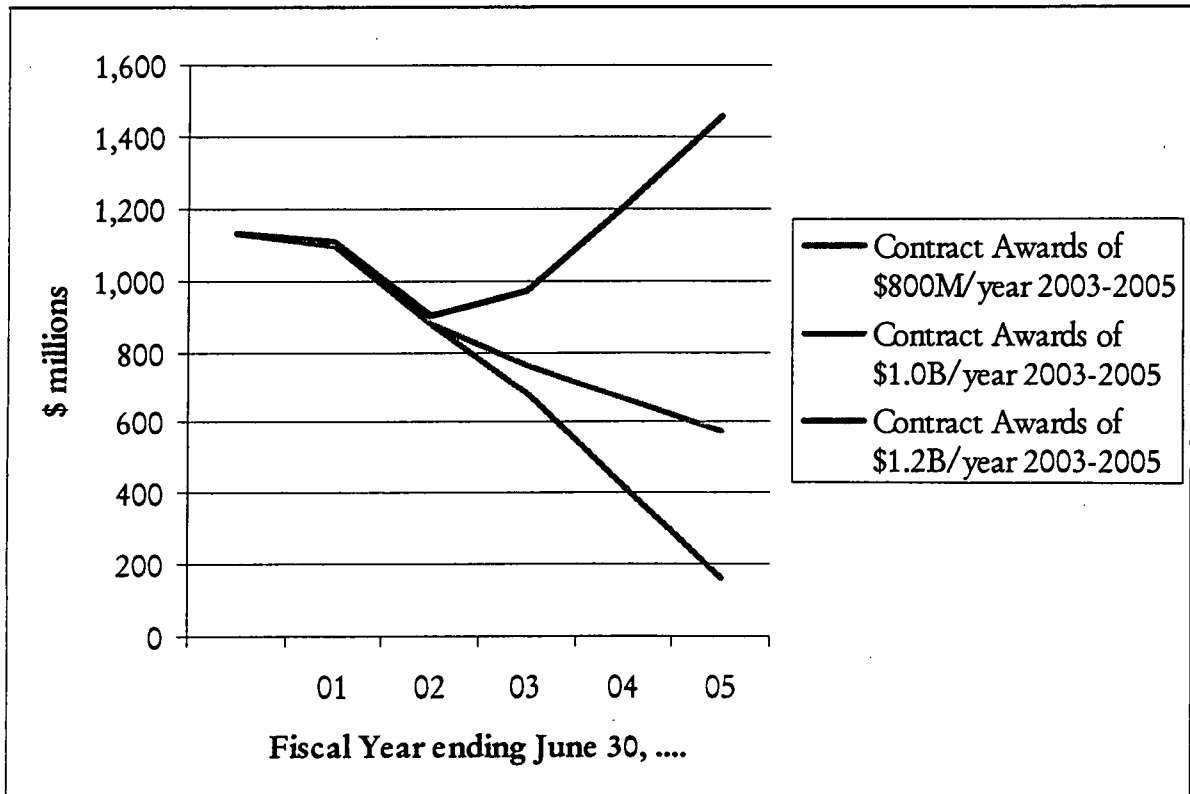


¹As long as the program is obligation-based, there will be some portion of this balance based on projects authorized, but for which funds have not yet been spent.

2. Cash Balance Forecasts – Findings

A three to five year forecast of the cash balances in the Highway Trust Fund and the Highway Fund is presented in Exhibit E-3. The forecasts are based on status quo revenue and expenditure patterns. The key factor impacting future cash balances is NCDOT’s ability to deliver \$1.0 billion or more of construction contracts each year.

Exhibit E-3: Medium Term Forecast of Highway Trust Fund and Highway Fund Combined Cash Balances



As shown in Exhibit E-3:

- Cash balances will fall over the next three years by about \$250 million.
- Cash balances will continue to fall in following years if the NCDOT can sustain the current annual contract award rate of between \$1 billion per year and \$1.2 billion per year.
- If contract award rates fall below \$1 billion per year then cash balances will not fall.

3. Cash Balance Targets – Findings

The study analysis identified recommended minimum and average daily cash balances, for different levels of risk and for different short-term borrowing abilities. The target balances with an acceptable level of risk established through statistical modeling are summarized in Exhibit E-4.

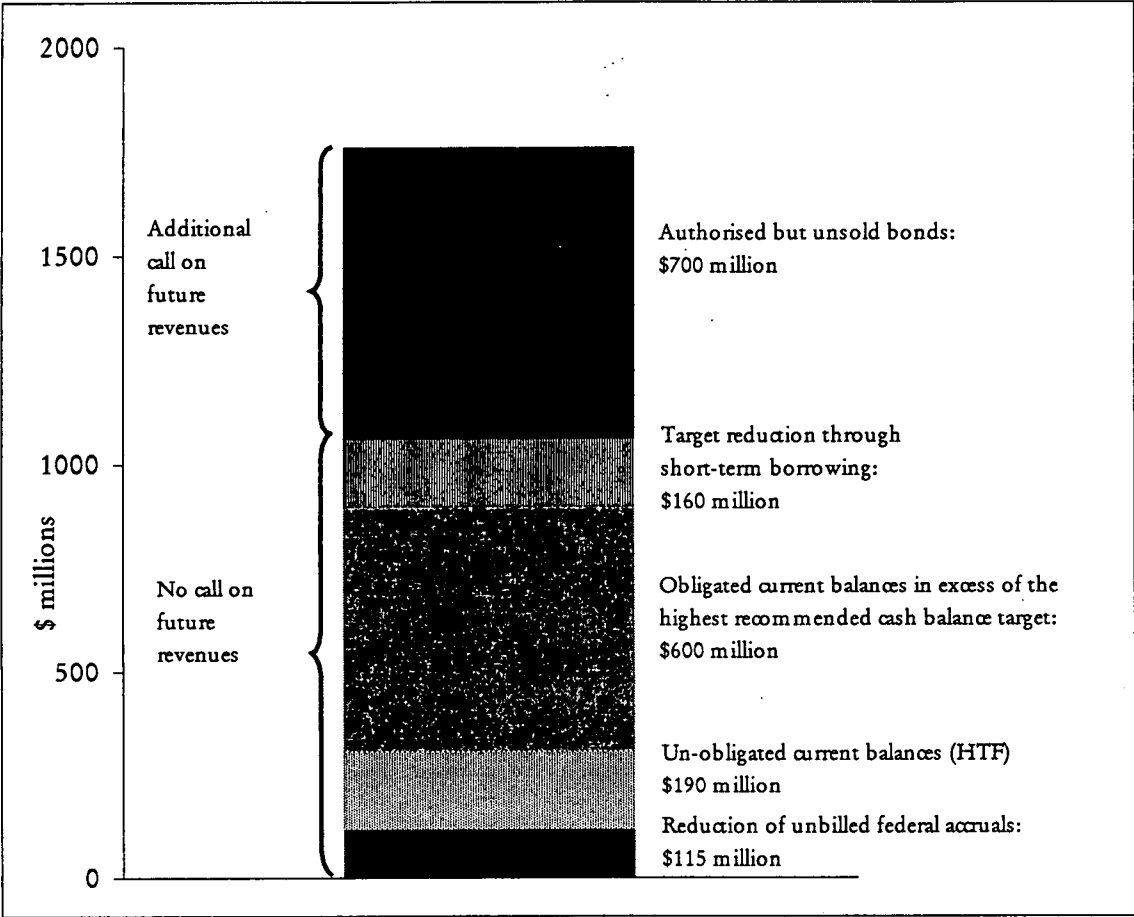
Exhibit E-4: Target Cash Balances

<i>Borrowing Ability</i>	Overnight Borrowing		No Short-Term Borrowing	
	"1 in 100" months	"1 in 1000" months	"1 in 100" months	"1 in 1000" months
<i>Effective Overdraft Risk</i>				
	<i>\$ millions</i>			
Minimum Daily Balance	28	40	150	200
Average Daily Balance	115	130	290	360

4. Opportunities For Cash-Flow Financing

The study estimated that potentially \$1.7 billion of cash would be available, on a one-time basis, to accelerate North Carolina’s highway construction programs on a cash-flow basis. This is illustrated in Exhibit E-5.

Exhibit E-5: Cash Available on a One-Time Basis to Accelerate Highway Construction



However, it is important to note that due to the statutory constraints on the projects that are Highway Trust Fund eligible, it would take many years to draw down the balances. This is because Trust Fund projects involve new construction which can require many years of preconstruction.

F. Recommendations

Recommendations are summarized in Exhibit E-6.

Exhibit E-6: NCDOT Cash Management Recommendations

NCDOT Cash Management Policy and Targets
<ul style="list-style-type: none">• Under the current regime of no short-term borrowing capability, reduce the average cash balance of the Highway Trust Fund and the Highway Fund combined to a target of \$290 to \$360 million depending on the acceptable risk level.• Use current cash balances and available bonding authority to shift to a cash-flow basis and thereby create a one-time acceleration of highway construction program funding.
NCDOT Executive Management Direction
<ul style="list-style-type: none">• Establish NCDOT cash management objectives and targets, including executive level responsibility for risk assessments and setting minimum cash balances and target cash balances.• Establish a Financial Planning Committee accountable for accomplishing cash management objectives.• Reduce the accumulated unbilled amounts, establish targets and actively manage accrued unbilled balances on a weekly basis.• Require concurrence of Financial Management, Program Development Branch, Preconstruction, and Construction for a cash-flow based delivery plan.• Establish organizational capacity required to transition to a cash-flow based program delivery regime.• Plan for and use the available long-term debt authority.
Procedures, Tools and Practices
<ul style="list-style-type: none">• Conduct active financial and project management through monthly monitoring of cash inflows, cash outflows, and planned lettings.• Identify and implement procedural and organizational changes necessary to strengthen program and project delivery management.• As cash balances are reduced to recommended levels, and the Department transitions to a cash-flow based program, decisions to use Advance Construction should include an analysis of the cash impacts of such decisions.• Reduce the accumulated unbilled amounts, establish targets, and actively manage accrued unbilled balances on a weekly basis.

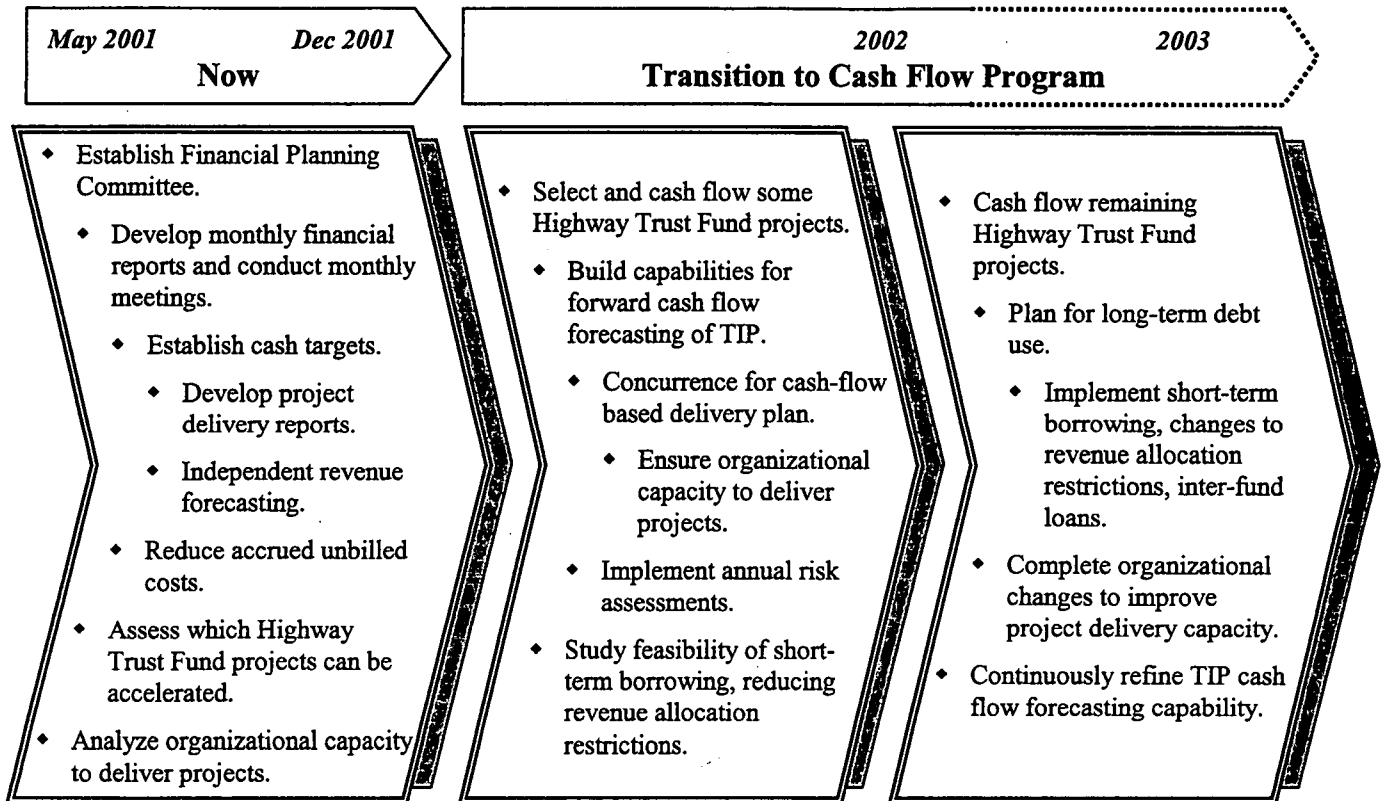
Policy/Statute Change

- Evaluate and implement statutory changes to the current restrictions on Highway Trust Fund eligibility that will enable the cash-flowing of projects and the accomplishment of the recommended cash balances while holding harmless Trust Fund Projects with respect to delivery time.
- Work with the Office of the State Treasurer to evaluate the feasibility of establishing a short-term borrowing capability to further reduce the average cash balance of the Highway Trust Fund and the Highway Fund combined to a target of \$115 to \$130 million depending on the acceptable risk level.
- Establish authority that allows loans from the Highway Trust Fund to the Highway Fund, and vice versa, so the pooled balances of the two funds may be managed to recommended levels.

G. Implementation Plan

The implementation plan, summarized in Exhibit E-7, provides the “blueprint” for implementing the recommendations for improved cash management at NCDOT. The steps involved will take NCDOT through a “transition” period in the first two years; transition toward “full” implementation will require a number of cycles through the transportation improvement program update process. The pace of this transition will be dependent on NCDOT’s capacity to manage and deliver the accelerated projects.

Exhibit E-7: Transition to Cash Flow Program



JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 5, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Global TransPark Authority Budget Presentation

Paul E. Busick, President and Executive Director
N.C. Global TransPark Authority.

Joint Appropriations Subcommittee on Transportation
Tuesday, April 5, 2001
9:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Thursday, April 5, 2001 in Room 1228 of the Legislative Building. Six Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Blue, Coates, Gulley, McAllister, and Baddour. Senator Wib Gulley presided.

Senator Gulley asked Paul Busick, President and Executive Director of the North Carolina Global TransPark Authority (GTP), to give his presentation on the Global TransPark (Handout #1). After Mr. Busick's presentation, a lengthy discussion took place including the following points:

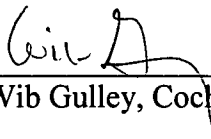
- Through budget allocations, North Carolina will receive infrastructure through the entire region and jobs directly and indirectly created by the GTP.
- The GTP is on track and the budget requests for 2001-2002 are to insure that the GTP is successful.
- The industries targeted now for the GTP are those that need an airport. The GTP has a multi-modal concept in its vision.
- There are approximately 2,600 people employed at the companies in the GTP.
- The success of the GTP cannot be judged until after the environmental impact study (EIS) process is complete.
- The budget request for \$6.8 million is for a completion of a runway and half of this figure is a Federal match in funds.
- Broad band internet capability is needed to lure companies to the GTP. Also, needed for success at the GTP is a cargo building, activation of foreign trade zone, and a capital stream of \$1 to 1.5 million to support the GTP.
- There is unanimous support from County Commissioners in the Zone and the \$5 local tag fee has generated \$15-20 million to help development in individual counties in the Zone.
- A four-lane road is still not completed after 10 years because of federal regulation changes and the need for an EIS. Also, the road was not on the TIP until 1997-98..
- The \$5 tag fee and the William Lee Act have been very helpful in the GTP development.
- Air cargo growth will be the driving force in the 21st century.
- Airline and defense contractors are showing interest in the GTP. The Department of Commerce helps to promote the GTP around the world.

Representative Blue stated that there should be a 10-year plan with specific goals and benchmarks to determine the success of the GTP, rather than a piecemeal approach. Mr. Busick replied that the GTP master plan has that. Senator Gulley said a business plan

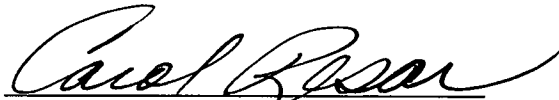
was produced by ECU last year and he asked that Staff supply a copy of this plan to Committee members.

After discussion on the GTP, Mr. Tom Bradshaw, Vice Chair of the Board of Directors of the GTP, spoke briefly to the Committee about the need for a partnership between federal government, state government and eastern North Carolina for the GTP to be successful.

The meeting was adjourned at 10:00 AM



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

The North Carolina Global TransPark Vision – Mission – Goals

Vision

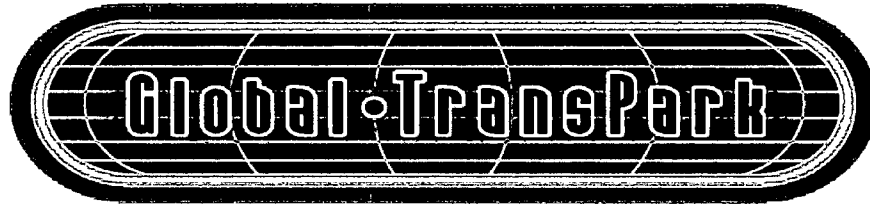
The North Carolina Global TransPark will be acknowledged as a national and international leader in innovative logistical infrastructure. Products from across the United States and around the world will arrive at the GTP to be assembled or processed and then transported to a global marketplace.

Mission

The North Carolina Global TransPark Authority's mission is to develop the leading logistical, manufacturing and distribution complex in the United States, and, by doing so, to provide a platform for private sector firms to stimulate economic development through the creation of high-skill, high-wage job opportunities.

Goals

- Utilize the Global TransPark Authority's unique position within State Government to achieve its mission in a cost-effective and efficient manner, making use of public-private partnerships and private sector service providers to the maximum extent feasible.
- Provide highly effective leadership for the project and the many other public agencies, private organizations, and individuals involved in developing the GTP.
- Surpass the expectations and requirements of current and future tenants and users of the GTP.
- Anticipate and respond to trends in the processes, technologies, educational needs and functions that comprise the core capabilities of the GTP.
- Make the most efficient use possible of public resources, expend those resources prudently and wisely, and stimulate private-sector investment that far exceeds the investment of public funds.
- Earn a reputation among the public, tenants and users as one of the most effective agencies in State Government.



Two GTP organizations are working together to achieve development at the Global TransPark site, while the third one is devoted to economic development in the 13-county Global TransPark Region. Their responsibilities differ, but their efforts complement each other. The three organizations are:

The North Carolina Global TransPark Authority

The North Carolina Global TransPark Authority is the state agency responsible for planning, building and operating the North Carolina Global TransPark project. The Authority was created by the General Assembly in 1991. The General Assembly appropriates operational funding. State and federal funds have been utilized by the Authority to develop the GTP.

The Global TransPark Foundation, Inc.

The Global TransPark Foundation is a private, not-for-profit 501(c)(3) corporation. The Foundation's role is designed to be similar in some respects to the function performed by Research Triangle Park Foundation in the early 1960s on behalf of the RTP. The GTP Foundation has nearly \$20 million in private contribution commitments, with a goal of \$30 million. Funds raised by the Global TransPark Foundation may be used to assist the Global TransPark Authority in developing the Global TransPark.

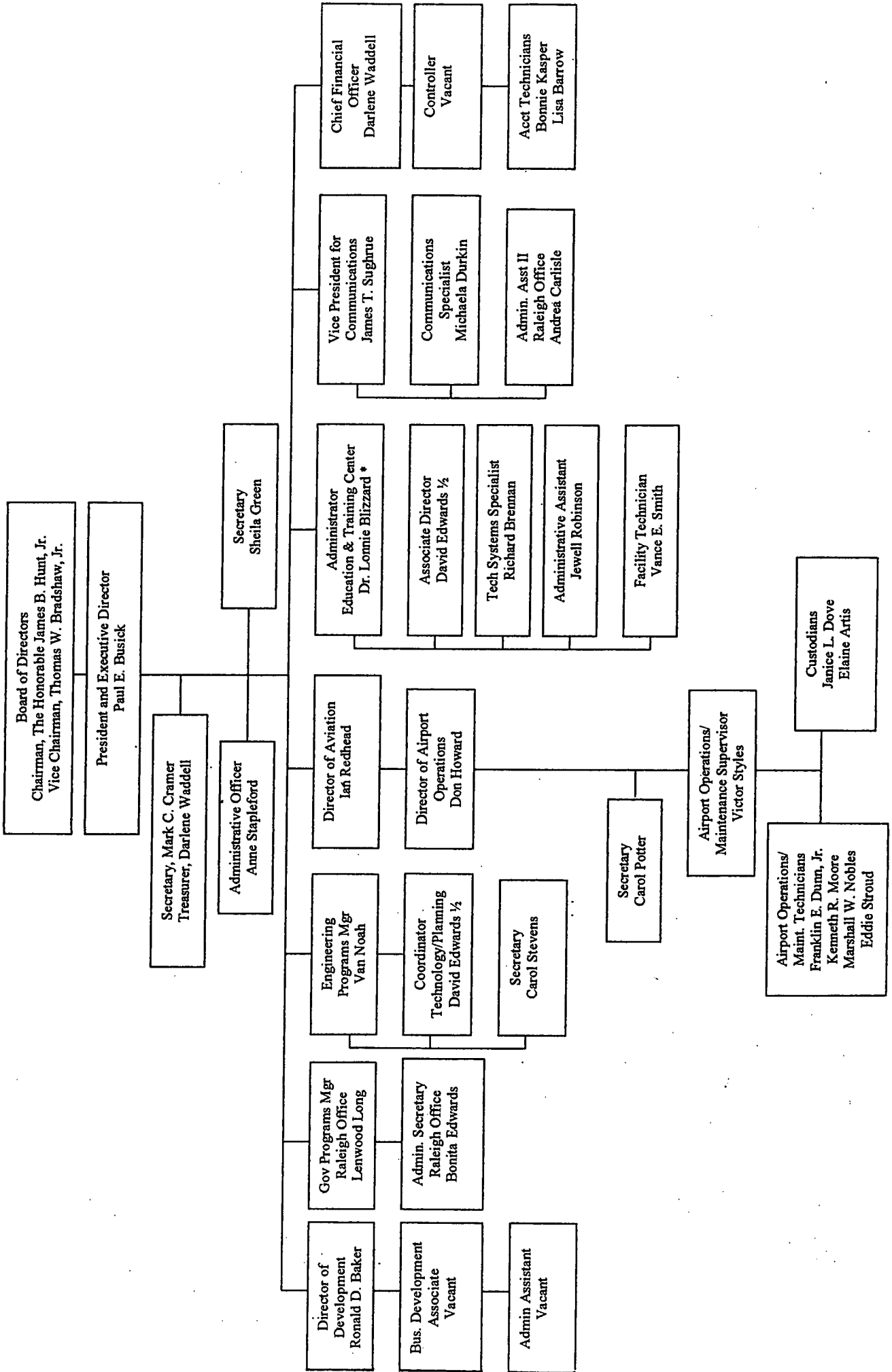
The Global TransPark Development Commission

The Global TransPark Commission works to enhance economic development and foster new growth and investment in a region consisting of the following 13 counties:

- Carteret
- Craven
- Duplin
- Edgecombe
- Greene
- Jones
- Lenoir
- Nash
- Pamlico
- Onslow
- Wayne
- Wilson
- Pitt

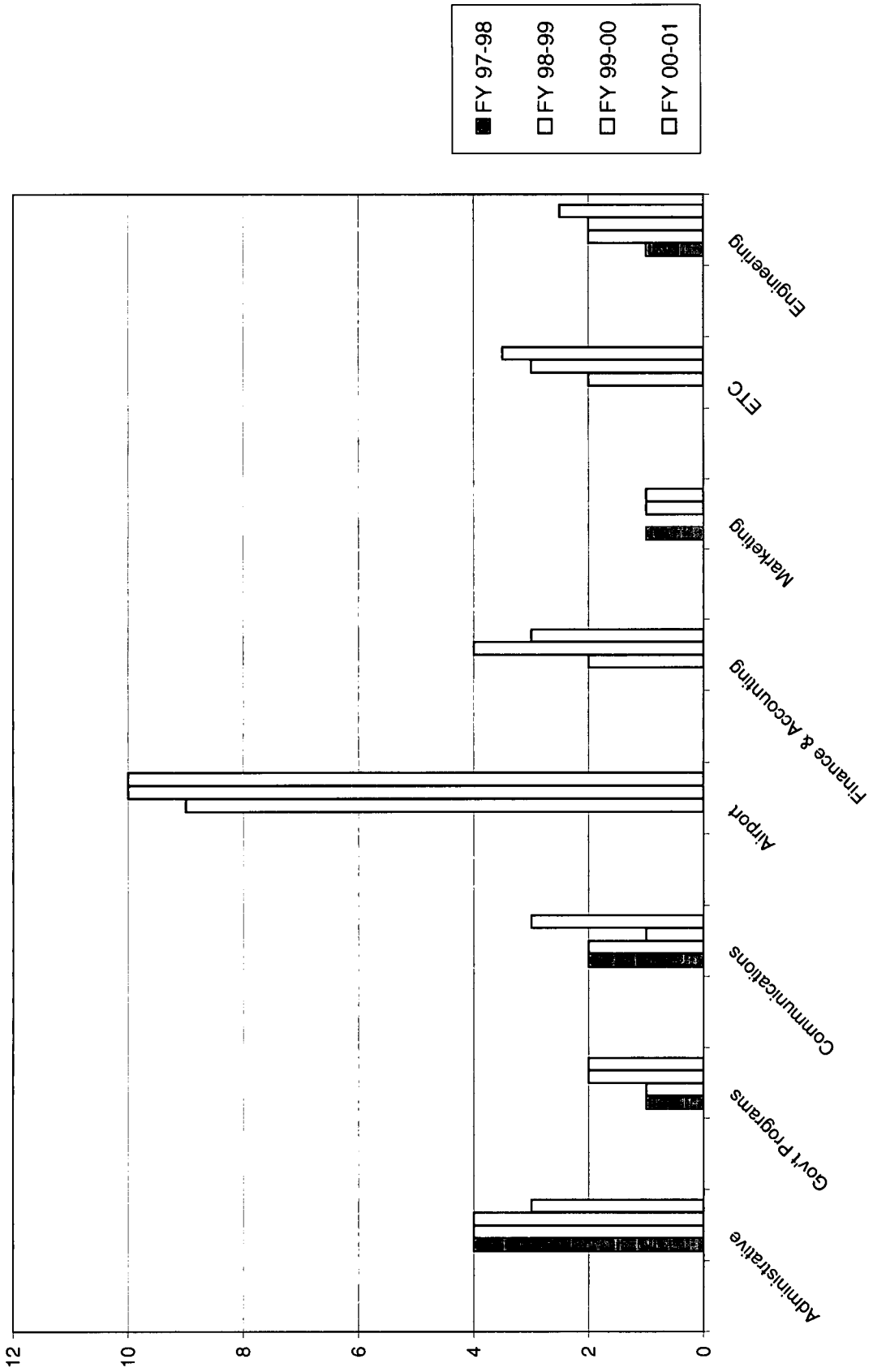
The GTP region is one of seven economic development regions in the state. Each county in North Carolina belongs to one of the seven regions. The Commission supports growth in the counties of the GTP Region through the use of a revolving loan trust fund that may be used for infrastructure and other economic development projects. The Commission also supports the region through marketing efforts, the development of a communications network, economic development grants and other services.

NORTH CAROLINA GLOBAL TRANSPARK AUTHORITY ORGANIZATION CHART

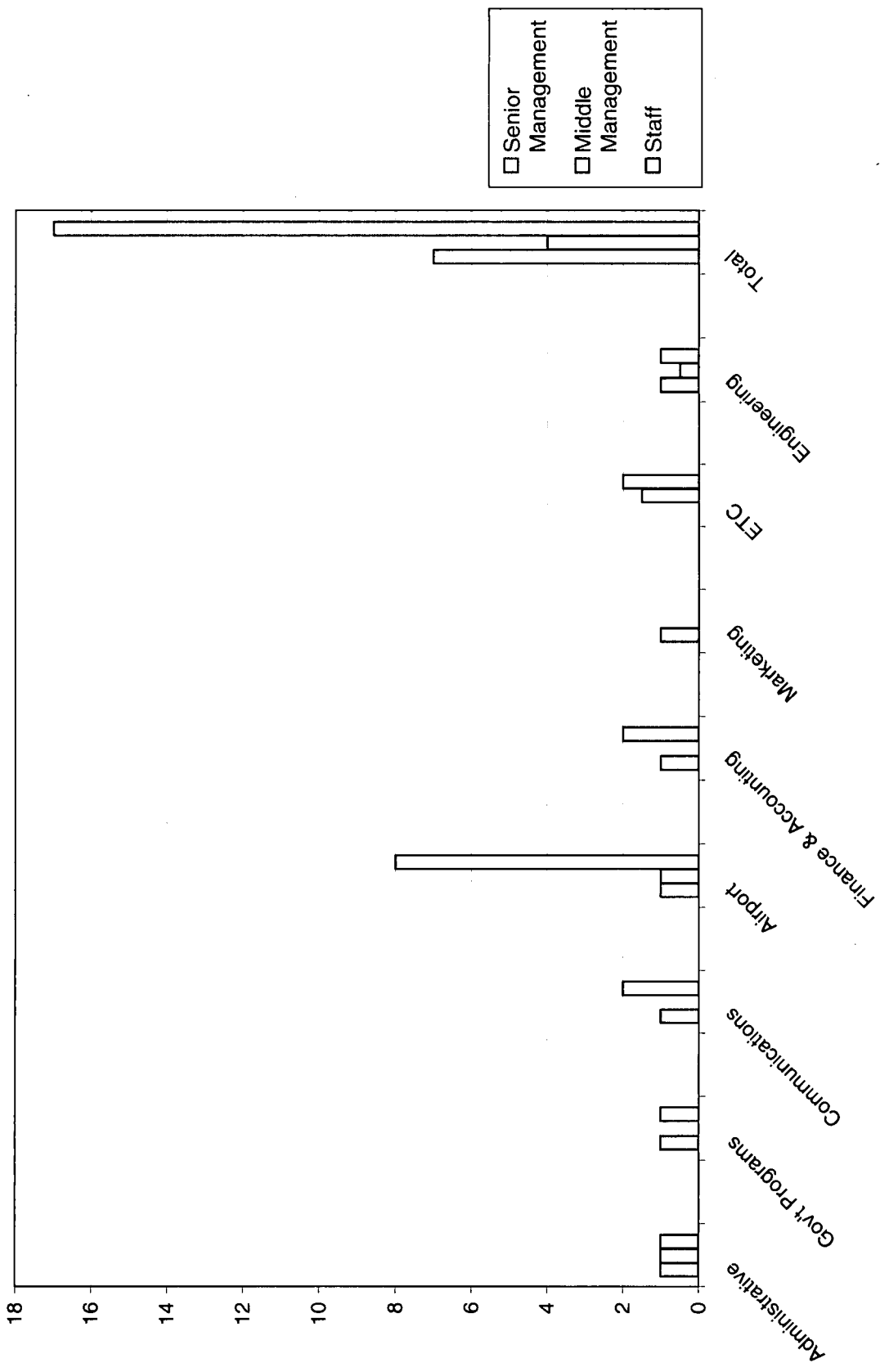


* Contract employee

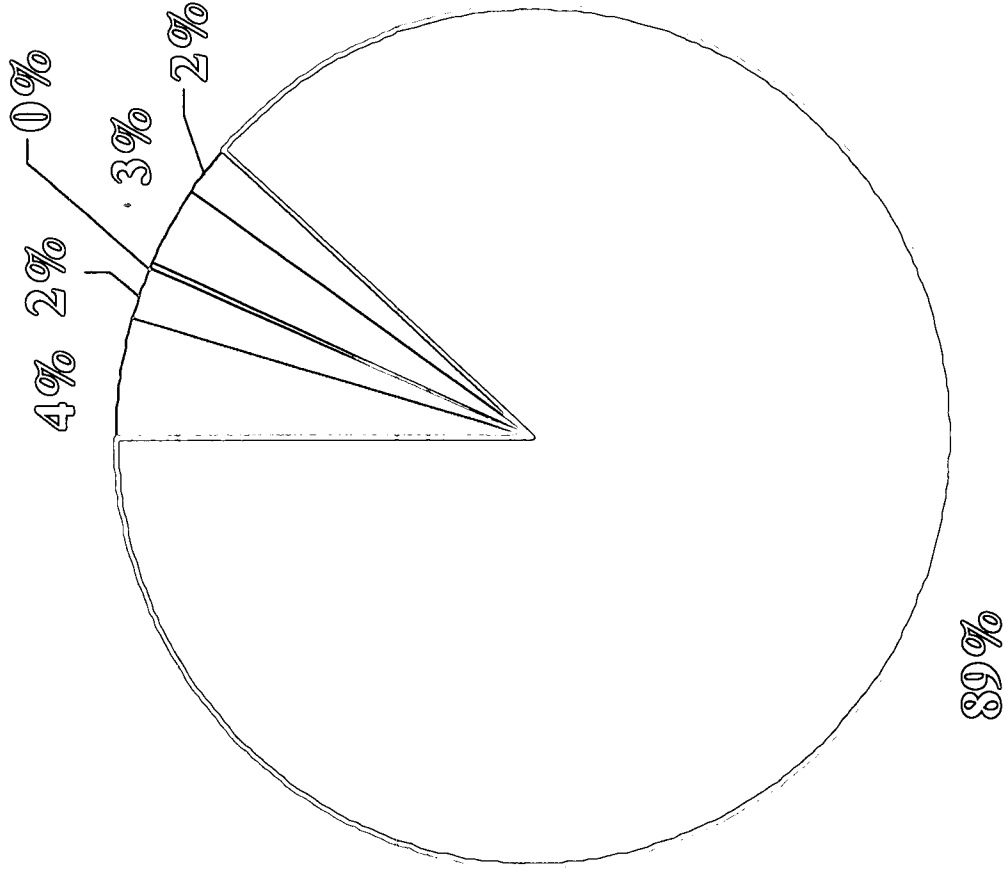
**NORTH CAROLINA GLOBAL TRANSPARK
AUTHORITY PERSONNEL**



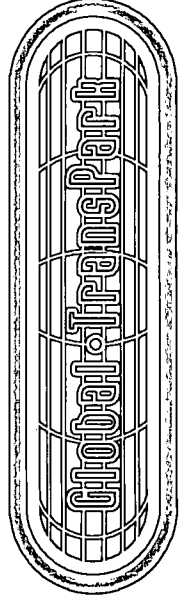
**NORTH CAROLINA GLOBAL TRANSPARK AUTHORITY
PERSONNEL BY CATEGORY**



FY 00-01 Expenses by Category



- Salaries and Benefits
- Contracted Services
- Travel
- Project Dev.
- Other Op. Exp.
- Construction



**NORTH CAROLINA GLOBAL TRANSPARK AUTHORITY
BIENNIAL BUDGET**

FISCAL YEAR	2001-2002	2002-2003
Highway Fund- Operations	\$1,211,098	\$1,259,542
General Fund- NC Department of Commerce-Marketing	172,036	172,036
General Fund- Operations	2,150,426	2,236,443
Runway State Match	<u>3,353,000</u>	<u>0</u>
Total General Fund	<u>\$5,675,462</u>	<u>\$2,408,479</u>
TOTAL	<u>\$6,886,560</u>	<u>\$3,668,021</u>

Global TransPark Funding Summary

State Appropriations and Grants

State funding for operations, development and planning FY 1991-92 through FY 2000-01 appropriations to the N.C. Global TransPark Authority. Areas supported include project master planning, federal environmental assessment, federal environmental impact statement, environmental permitting and associated costs, acquisition of foreign trade zone status, business information/marketing activities, development of international network relationships, wetlands mitigation, pass-through federal funding for military projects, land use planning, public hearings/information activities, airport operations, education and training center operations and authority operations.	\$26,232,538
State match for GTP Education and Training Center construction	3,277,000
State matching funds from Division of Aviation for airfield improvement projects	142,597
STATE TOTAL	\$29,652,135

Federal Grants

GTP Education and Training Center construction (commitment of \$3M)	\$2,716,137
FAA funding for NCGTP master plan and \$35M airfield improvement project	622,000
National Science Foundation Grant – N.C. Consortium for Logistics Education (commitment of \$53.6K)	28,360
Military Construction (MILCON) funding to Kinston Regional Jetport to extend runway from 7,500 feet to 8,600 feet.	4,806,076
Administration and coordination of MILCON Project	39,638
FEDERAL TOTAL	\$8,212,211

Private Sector/Local Funds, Contributions and Commitments

Private sector funding commitment (industrial incentives)	\$30,000,000
Kinston/Lenoir contributed capital (related to KRJ transfer)	17,707,341
Local government funding commitment (public utility expansion)	10,000,000
PRIVATE AND LOCAL TOTAL	\$57,707,341

Other Funding

Pass-through funding from World Bank for Subic Bay Project.	\$107,524
OTHER FUNDING TOTAL	\$107,524

Federal & State Funds for Airfield Improvements

The tables above do not include funding committed or received for \$35 million in capital improvements being made to the GTP's airfield. The majority of those improvements will be accomplished during the FY 98-99 – FY 01-02 timeframe. State and federal governments are sharing the cost of this construction on a 50/50 basis. The table below provides additional information on airfield construction funding. (Note: The \$35 million figure includes \$10 million for environmental costs.)

Federal Construction Funding Commitment	\$17,500,000
State Matching Funds Appropriated (Through FY 00-01)	14,147,000
Remaining State Matching Funding (FY 01-02)	3,353,000
STATE AND FEDERAL AIRFIELD CONSTRUCTION TOTAL	\$35,000,000

010222

- LEGEND**
- ① NEW COLD STORAGE FACILITY
 - ② NEW 50,000 SF CARGO FACILITY
 - ③ NEW 60,000 SF SHELL BUILDING



**NORTH CAROLINA
GLOBAL TRANSPARK
2001**

COLD STORAGE FACILITY
①

CLIENT

GTP SHELL

GTP EDUCATION & TRAINING CENTER

MOUNTAIN AIR CARGO

SPINE RD

GTP TERMINAL

NC FORESTRY SERVICE

NEIL MEDICAL

FARVAL LUBRICATION

UB ARMY RESERVE CEN.

ISO AVIATION

SEGRAVE AVIATION

MARCONI

DUPONT

FIELD CONTROLS

PARROTT ACADEMY

WEST PHARMACEUTICAL SERVICES

KNC CORP.

LENOX CHINA

MOEN, INC.

BLUE MOUNTAIN

AUT-O-RITE PLASTICS

PARTRADE

ASIDE WINDOW

NC NATIONAL GUARD CENTER

LETEN

NEUSE ENTERPRISES

NEUSE

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**Anatomy Of A News Report:
The Business North Carolina Story About The GTP**

What the Story Said...	Additional Information...
<p>“The TransPark...has attracted just two tenants....companies recruited from elsewhere in the state.”</p>	<p>There are four new airfield tenants – Mountain Air Cargo, Segrave Aviation, General Services Corp. and Eagle Aircraft Corp. Mountain Air Cargo moved activities from Miami, FL and Anderson, SC into a consolidated facility at the GTP. Segrave did not have room to grow at its Greenville location and expanded to the GTP. General Service Corp and Eagle Aircraft expanded to the GTP; both maintain relatively small operations there. Of course, it is a mistake to count only airfield tenants when counting GTP tenants – there is much more to the project than the airfield, and always will be. Several additional firms have located within the boundaries of the GTP initial development – some of them are industries new to NC, while others represent expansion jobs for the state. Either way, there are 650 jobs at the GTP site that weren’t there when Kinston was selected at the site. The GTP Authority is working to put in place the key infrastructure and services that will attract additional tenants.</p>
<p>“Environmental studies dragged on from July 1994 to September of 1998...”</p>	<p>The amount of time it took to prepare the GTP’s Environmental Impact Statement and receive a 404-Permit to develop the project was completely normal. As a matter of fact, it seems to match the time required for airport projects in Charlotte and Greensboro, despite the fact that the GTP is a much larger project – it’s two-and-one-half time the size of Charlotte-Douglas and five times the size of Piedmont Triad International.</p>
<p>“There’s no infrastructure there, there’s no work force there. There’s no there there,” (a quote attributed to Al Stuart, who is identified as a UNC Charlotte geographer).</p>	<p>Clearly, the story’s intent was to convey a negative impression of the GTP, in fact, it made at least one point that has been repeated constantly and consistently by project officials – It will take the completion of programmed airfield and highway improvements, along with such things as high-speed Internet access to make the GTP competitive. However, the information regarding the workforce is overly negative. There will certainly be a significant need for workforce training as the GTP develops – workforce issues are a national concern – and that one of the reasons the GTP Education and Training Center was built with the input of community colleges in the region. However, all the workforce studies that have been performed for prospective tenants – including some requiring a large number of employees – have shown that the region can meet the need for workers.</p>

What the Story Said...	Additional Information...
<p>The article refers to a 1991 study in saying that the GTP “would create 55,000 jobs” by 1998.</p>	<p>By selectively extracting the jobs information from the 1991 report, the magazine commits a grievous error that borders on being an outright falsehood (and it is not the only publication to relay that inaccuracy). The information comes from a technical feasibility study that created a theoretical model – a model that talked about 55,000 direct and indirect jobs based on a fully developed, fully functioning GTP with super highways all around it, two runways and all the other high-quality elements projected for ultimate development – in other words, it was as though the GTP magically appeared looking the way it might look 40 years from now. That’s not the way things work in the real world of environmental permits and start-up funding. There has never been any talk of even trying to build the GTP on such an impossible schedule. Also, the Business North Carolina article omitted a key fact related to the 55,000 direct and indirect jobs number: It was based on an overnight project investment of more than \$700 million dollars – roughly ten times what has been spent on the GTP. The truth about the GTP’s job projections is that they forecast approximately 50,000 direct and indirect jobs when the project reaches ultimate development – something the Authority has always said would take several decades (just as it has with other projects).</p>
<p>“The only kind of industrial growth you’re going to get down there is textile mills and shirt factories...” (another quote attributed to geographer Stuart).</p>	<p>Of course, the Authority would not cast important elements of the state’s traditional economy in disparaging terms. The quote sounds like the things that were said by others when North Carolina economic development efforts began in earnest years ago. Having said that, it’s worth noting that, while there is certainly a need to greatly increase economic development in Eastern North Carolina, there is also ample evidence that the region can successfully compete for a variety of jobs. Perhaps more to the point, if a geographer wants to sit in a successful urban area and smugly write off the futures of countless citizens, that’s his right; however the state’s policy position is support, not to limit, the aspirations of its citizens. The efforts of such entities as the Rural Prosperity Task Force and the Rural Internet Access Authority have been directly focused on finding ways to allow rural communities to share more prosperity. Incidentally, when he wrote the story, the Business North Carolina reporter knew that none of the GTP’s new tenants operated a textile mill or a shirt factory – and that none of our tenant prospects were related to textiles, (with the possible exception of one prospect whose identity has not been revealed).</p>

What the Story Said...	Additional Information...
<p>“...Segrave Aviation Co. got \$1.2 million in incentives to move from Pitt County-Greenville airport. Not only does it employ 47, its presence forced ISO Aero Services Co., which has been at the airport since 1969, to lower fuel prices, which the TransPark wanted. ISO owner Ken Vojta claims subsidized competition has forced him to lay off 15 of his 30 employees and could put him out of business. His rival Jim Segrave is the great-nephew of Felix Harvey, president of the Global TransPark Foundation, which raises money for the project.”</p>	<p>It is correct that Jim Segrave is Felix Harvey’s great nephew, and it is true that the GTP Foundation and Lenoir County put together an incentive package that helped to locate an expansion of Segrave Aviation at the GTP.</p> <p>However, Business North Carolina sullied Mr. Harvey’s reputation by its innuendo that he received business incentives as a result of the family relationship. The fact is that both Mr. Harvey and Paul Busick, the president and executive director of the GTP Authority, recused themselves from the Foundation’s decision to help fund the construction of an airport-owned building now leased to Segrave Aviation.</p> <p>Before Segrave came to the GTP, ISO Aero’s price for fuel was more than any other airport in Eastern North Carolina, and the high cost was negatively impacting the GTP’s airport. Under ISO’s stewardship, there had been a precipitous decline in based aircraft and general aviation operations. The lease rates charged to Segrave Aviation and ISO Aero are substantially the same and fully comply with FAA regulations, although the square-foot rate charged to Segrave is slightly higher than that charged to ISO Aero.</p> <p>The ISO Aero/Segrave Aviation coverage is one of the most troubling aspects of the Business North Carolina story, because they may have known the facts and chosen to ignore them. The accusations made by ISO Aero had been publicly rebutted by the Authority in several ways, including a letter to the editor published in <i>The News & Observer</i> (copy attached).</p>
<p>“...Grass grows in the parking lot”</p>	<p>False, or at least no more true than it is anywhere else. This is one example of a writing technique that was apparently used to convey unfounded negative impressions while ignoring or minimizing the project’s accomplishments and strong points.</p>
<p>The story’s tone. Beyond the words that were written, an unprofessional, sarcastic and unfair tone was present throughout the article.</p>	<p>The negative spinning started with the cover, which depicted the smallest plane possible taking off, and it never let up.</p>

010404

THE PEOPLE'S FORUM

TransPark has been evenhanded with two firms

Those who read your Aug. 19 article "Global TransPark business claims new rival has been given unfair advantage" from beginning to end received a generally balanced account of the successful recruitment of a second fixed base operator (FBO) by the Global TransPark in Kinston. However, some additional points should be made.

Approximately three-fourths of the dollar figure cited as "incentives" provided to Segrave Aviation, the new FBO, were actually airport improvements that will remain as airport property. It should be noted that ISO Aero, the airport's first FBO, has the use of similar improvements. As a matter of fact, over the past 12 years nearly \$1 million has been devoted to airport enhancements that specifically and singularly benefit ISO, yet its lease rate has not been increased.

An open, public process was used to select a second FBO. Our intentions were advertised, proposals were solicited, a public hearing was held, and the media covered the GTP Authority meeting at which the issue was discussed and a decision to proceed was made.

The authority's responsibility is to attract investments that create jobs at the Global TransPark, and generating more business and more revenue at the airport are important factors.

Over many years, much was done to help ISO attain success, but the facts show a significant decline in general aviation business while ISO operated in what amounted to a monopoly setting. Since Segrave opened for business at Kinston in January, fuel prices have dropped significantly and monthly fuel sale averages have risen. The marketplace seems to be working well.

Incidentally it is not unusual for an airport to have multiple FBOs, and ISO operates at other locations where it competes for business, including at least one where it came to the airport as the second FBO. When there is more than one FBO, federal regulations require that the lease rates paid by each business be substantially the same.

We value the contributions made by ISO and Segrave, wish them every success and sincerely hope that the business plans of both firms will call for them to remain a part of the Global TransPark in the future.

PAUL E. BUSICK

Kinston

The writer is president and executive director of the N.C. Global TransPark Authority. The length limit on letters was waived to permit a fuller response to the article.

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Ten years after the Global TransPark was launched, the project has not earned its wings. Has the time come to scrub the mission?

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DELAYED FLIGHT

After a decade, the Global TransPark is ready to get off the ground. But critics still say the project will never fly.

By Edward Martin

Billowy clouds shroud the horizon in every direction, making the sky over Ormond's Mart, on the western edge of Wayne County, look larger than life. Farmers fill up their trucks at battered old pumps as tufts of cotton blow like tiny tumbleweeds across U.S. 70. Kinston, says a sign just down the highway, 33 miles. Welcome, says another, you are now entering the Global TransPark Development Zone.

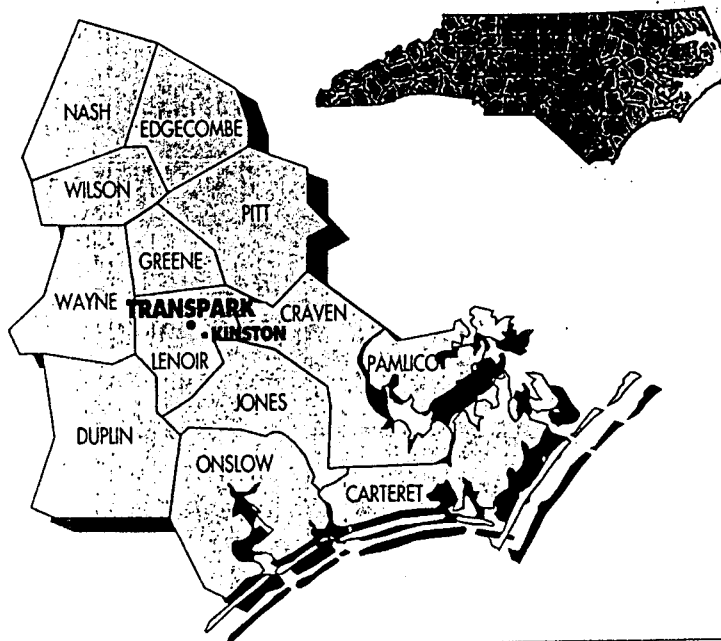
"You're looking at an area that's as rural and poor as it gets," Lt. Gov. Beverly Perdue says, referring to Eastern North

Carolina. The New Bern Democrat adds: "We're the poorest of the poor down here."

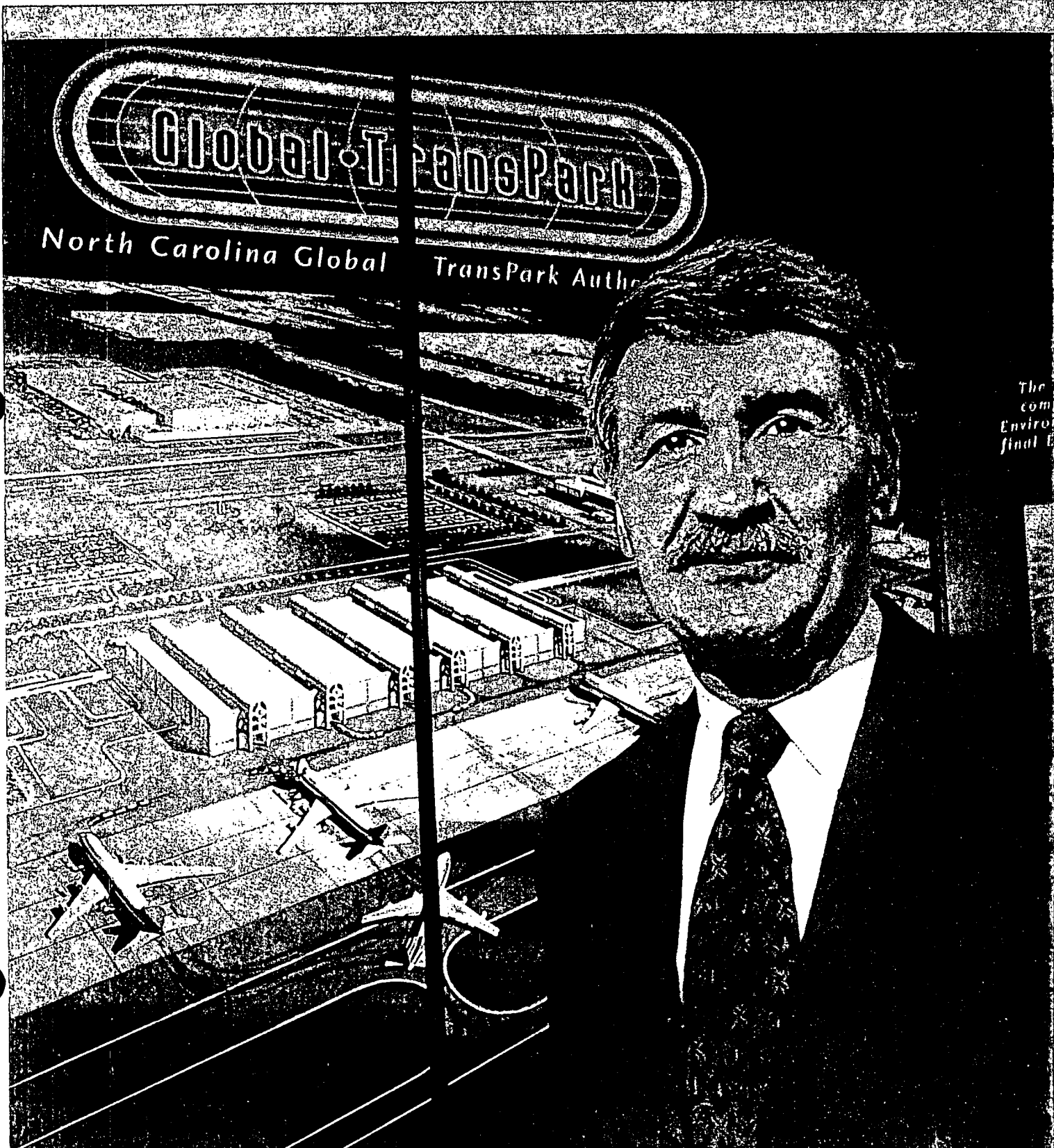
Ten years have flown by since the state launched the Global TransPark to change that. Prosperity was going to descend from the sky in the form of a \$285 million air-cargo industrial complex. A widely distributed illustration showed 13 jumbo jets clustered around a futuristic terminal at the Kinston airport. Pharmaceuticals, aerospace equipment, electronics. Value-added, just-in-time manufacturing. Fat paychecks. The microchip that lands in the morning flies out that night in an assembled computer.

Now, the clock that began ticking a decade ago is starting to wind down. Despite an investment of \$78.2 million — \$52.5 million from the state and \$25.7 million from the feds — grass grows in the airport parking lot. The TransPark, with incentives that have included free rent and tax breaks, has attracted just two tenants, bringing barely 200 jobs — not the thousands proponents once promised. It has drawn national attention — but not the kind supporters want: *NBC Nightly News* featured the project as part of its "Fleeing of America" series, describing it as "blue-sky wishful thinking." Syndicated newspaper columnist Neal Peirce dubbed it "a nutty idea." Home-grown critics, who have called it everything from the Global Trailer Park to Global TransPork, are growing louder and bolder.

GLOBAL TRANSPARK REGION



"We've done the studies, we've made the investments, and we're near the end of the rainbow," TransPark President Paul Busick says. What's there, opponents contend, is fool's gold.



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Even some of the people it was intended to help have lost faith. On a roadside adjoining the airport stands a sign: *Industrial Land — Utilities Accessible*. Reginald Sutton, whose family has owned the land since 1919, planted it not long after the TransPark selected its site in May 1992. He recently painted over the first two digits of the price listed — \$32,000 an acre — leaving a dollar sign and three zeroes. Sutton, who lives in Raleigh, says he'd settle for half of what he once wanted. "The only interest in the TransPark has been from the government," he says. "It's been all paper and talk. To tell you the truth, it's a dismal damned failure."

And that interest seems to be waning. In a recent survey of the General Assembly's 170 members, more than half of the 78 who

responded favor killing it — fewer than a third are steadfast in their support. "We should have known it was in trouble when a Democratic governor began giving a Republican governor credit for it," says Rep. Drew Saunders, a Mecklenburg County Democrat who chairs the House Transportation Committee. His panel is among those that must make some key decisions about the TransPark's future — it needs \$3 million to operate this year, plus \$3.5 million to match federal commitments.

With the national economy slowing and the state facing a nearly \$800 million budget shortfall, politicians all across North Carolina are squirming. "Obviously, right now it's not working out like we hoped," says House minority leader Leo Daughtry, a

Who runs which TransPark

Though it has created few jobs, the Global TransPark has spawned a complex, often confusing bureaucracy:

- The Global TransPark Authority, created by the General Assembly in July 1991, is the lead agency. Though it is part of the N.C. Department of Transportation, it operates independently. Retired Coast Guard Adm. Paul E. Busick, its president and executive director, heads a staff of 34. One of

authority's primary responsibilities is industrial recruiting.

Like a municipal government, it exercises planning and zoning authority over the 15,300 acres known as the Ultimate Development Area — what most people refer to as the TransPark. It owns only the 1,200-acre airport, plus 200 acres for industrial development. Most of the land in the Ultimate Development Area is in private hands. Though the authority cannot condemn property for development, it can for roads and other shared uses.

- The nonprofit Global TransPark Foundation was established in 1993 to raise \$30 million from individuals and groups to accelerate development. It has collected about 800 donations, ranging from \$10 to \$1.8 million. Its president is Felix Harvey, a Lenoir County resident and one of Eastern North Carolina's most influential business leaders, who has contributed \$1 million.

Because it's not a state agency, the foundation can move swiftly, unencumbered by red tape. In 1996, before the authority acquired the Kinston Regional

Jetport, the foundation leased land from the city and county and built a \$6.5 million hangar to attract Mountain Air Cargo Inc., a Lincoln County aircraft-repair and -maintenance company, as the TransPark's first tenant. Last year, it contributed \$500,000 of the \$866,500 cost of a building for Segrave Aviation Inc., which services, maintains and charters airplanes. Segrave moved from Pitt County-Greenville Airport.

- Legislators created the Global TransPark Commission in November 1993 to levy a \$5-a-year tax on motor vehicles in the 13-county Global TransPark Region from July 1994 through June 1999. The license fee generated controversy, and the commission did not attempt to extend it.

The fee generated \$15 million. The General Assembly added \$7.5 million, giving the commission a \$22.5 million "war chest" to lend to counties in the TransPark Region to build speculative buildings and other projects to lure industry. The commission, now one of the state's seven public-private economic-development partnerships, is prohibited from lending money to the TransPark Authority. It has made \$14 million of loans.



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Johnston County Republican who supports the project. "We've spent millions of dollars in public and private money on it, but there's going to come a time when we have to decide whether to go forward." That time may be approaching. "We've got citizens and lots of our legislators asking when we're going to quit throwing money down a sink-hole," says Rep. Nelson Cole, the Rockingham County Democrat who chairs the Transportation Appropriations Committee. "It's time somebody put up or shut up."

It's not so much what's been put up as what's been put down, the TransPark's defenders say. That includes the 80,000 dump-truck loads of dirt moved to extend the stubby World War II runway from 7,600 to 11,500 feet, long enough to land cargo jets. The millions of dollars spent on master plans, environmental studies and creation of a Foreign Trade Zone to cut through red tape for international shipping. "We've done all the studies, we've made the investments, and now we're near the end of the rainbow," says Paul Busick, the retired Coast Guard admiral hired in 1998 as the \$140,000-a-year president and executive director of the Global TransPark Authority. His mantra: The factories will come soon. Something big is just over the horizon. We're talking to a Fortune 100 company.

The skeptics say they've heard that for years, and all the TransPark has to show for its efforts are two companies recruited from elsewhere in the state and a \$6.5 million training center, completed last year. US Airways Express discontinued its four daily flights 18 months ago. Last year, the airport averaged 84 operations — a takeoff or a landing — a day. Some were military and civilian pilots practicing "touch-and-go" landings, each of which counted as two.

What went wrong? Environmental studies dragged on from July 1994 to September 1998, though the original feasibility study in 1991 and the 1994 master plan raised questions about the TransPark's impact — the

1990

In an academic paper, UNC professor John Kasarda, now director of the Kenan Institute of Private Enterprise, proposes an air-cargo industrial complex that relies heavily on just-in-time manufacturing principles.

1991

In his State of the State address, Gov. Jim Martin endorses the concept. The state creates the North Carolina Air Cargo Airport Authority and names Seddon "Rusty" Goode of Charlotte as its president.

1992

Eleven communities bid for the complex before Kinston is chosen. The authority is redesignated the Global TransPark Authority, and the FAA gives it \$622,000 to commission a master plan.

1993

The General Assembly creates the Global TransPark Commission to collect a \$5 auto-tag fee from residents of 13 counties, to support economic development — but not the TransPark itself.

1994

A master plan predicts the Global TransPark will generate nearly 50,000 jobs at maturity. Mountain Air Cargo Co. becomes the first tenant, and the FAA orders an environmental impact study.

1995

Sherwood Smith, chairman of Carolina Power & Light Co., succeeds Goode as president. The TransPark applies to the federal government for status as a Foreign Trade Zone.

1996

Smith and Hunt order a crackdown on spending after records reveal more than \$1 million in payments to politically connected lawyers, public-relations firms and others. Runway work begins.

1997

The environmental-impact statement is released. It is critical of the TransPark's impact on wetlands, though it supports the overall development. The FAA awards \$2.5 million for design.

1998

Memphis-based FedEx chooses Greensboro instead of the TransPark for a \$300 million hub. NBC *Nightly News* features the project on its "Fleeing of America" series.

1999

The TransPark assumes ownership of the airport for a nominal \$100. Work begins on the second phase of runway construction as the airport becomes the staging area for Hurricane Floyd rescue efforts.

2000

US Airways Express halts the only scheduled passenger service to airport. A hangar for Segrave Aviation Co., the TransPark's second tenant, and a \$6.5 million training center are completed.

latter, specifically, on 2,600 acres north of the Neuse River and 871 acres of wetlands next to the site. Of the \$35 million spent to extend the runway, \$10 million went to buying and protecting land elsewhere as a trade-off.

"We were assured by the Federal Aviation Administration that we didn't need an

It couldn't attract the FedEx hub.

"They told us the roads and the infrastructure were inadequate."

impact study, only an environmental assessment that we did ourselves," says Jim Martin, the Republican governor who proposed the project in 1991. "We did that for three years. Then the deep breathers forced us into another six years with an environmental-impact statement that didn't show anything new."

Now a Charlotte hospital executive, Martin remains convinced that the TransPark is viable, as does Jim Hunt, the Democrat who pushed the project during the next two terms. The new governor, Democrat Mike Easley, says, "We'll stay focused on the TransPark and other investments for Eastern North Carolina to be sure we are doing everything in our power to build a better future for the East." They're not alone. "The Global TransPark has the potential to transform the economic landscape of Eastern North Carolina," says House Speaker Jim Black, a Mecklenburg Democrat. "I believe it should be given more time to live up to that potential."

Yes, time is money, but Busick notes that similar environmental-impact studies may delay a proposed Federal Express Corp. hub at Piedmont Triad International Airport, near Greensboro, even longer than they did the TransPark. Ironically, losing that \$300 million project and its 1,500 jobs was the TransPark's death knell, critics contend. Winning it, supporters concede, certainly would have legitimized the project. "I got

down on my knees and begged them to go down there rather than Guilford," Daughtry says of the Memphis, Tenn.-based shipper's 1998 decision. "We did our best, but they told us the roads and the infrastructure were inadequate."

That, in a nutshell, is what dooms the project, critics claim. Not the environmental studies, not regional rivalries, not an uproar over the TransPark Authority's first president and other politically connected businessmen, lawyers and lobbyists spending millions with scant public accounting. In its wisdom, the state plopped the TransPark down in the middle of nowhere, 40 miles from the nearest interstate highway.

"It's been a white elephant from the start," says UNC Charlotte geographer Al Stuart, one of the authors of *The North Carolina Atlas*, a guide to the state's political, historical and economic, as well as its physical, landscape. "The big pitch about all the jobs it would create had the local chamber of commerce licking their chops, but they ignored economic reality. There's no infrastructure, there's no work force there. There's no there there."

The Global TransPark is the brainchild of another academic, John Kasarda, a UNC Chapel Hill professor who is now director of the Kenan Institute for Private Enterprise.

He began working on his proposal for a manufacturing complex built around an airport in 1989 and put it down on paper the following year. Charlotte developer Johnny Harris, a friend of Martin's and a UNC trustee, and Seddon "Rusty" Goode, a Martin appointee to the state Transportation Board who would become the TransPark's first president, took the idea to the governor.

In his 1991 State of the State address, Martin endorsed what he called a "global air-cargo industrial complex," without picking a site. That, and the name, would come a year later. But the Global TransPark had been born, and the clock was ticking.

It was a bold plan, which skeptics say is part of the problem: The first company to come would be gambling millions — possibly hundreds of millions — of dollars that others would surely follow. And that the project would survive the vagaries of politics. Otherwise, the pioneer plant would be stranded. "There's no successful model on this scale anywhere in the world," says Paul Page, editor of *Air Cargo World* magazine. "Maybe the rest of the world and recorded history are wrong, but I don't think so."

Martin and other backers are quick to point to Alliance Airport in suburban Fort Worth, Texas, created by Ross Perot and his son. Started in 1989, it has received \$139 million in public money and is considered the first air-cargo industrial park. But comparing it with the TransPark can boomerang. Within 10 years, Alliance had attracted more than 70 companies, which invested \$3.6 billion. Alliance is in the Dallas/Fort Worth metro area, the nation's ninth-largest, just west of Dallas-Fort Worth International Airport, the world's third-largest. The rationale for the TransPark is to

create jobs; Alliance was created to divert cargo and corporate traffic from congested DFW. Another major difference: Four years after Alliance was conceived, FedEx built a \$300 million hub there.

Kasarda admits it would have made more sense — in strict business terms — to put the TransPark in Charlotte, the Triad or the Triangle. "Sure, it would have gotten out of the chute a lot faster because infrastructure and industrial demand were already there." The fallacy, he says, is applying conventional logic to an unconventional project. "It's a Catch-22. You have less industrial base in the East, which slows development. But that's where you need the jobs."

Looking back, another hurdle was the high hopes — too high — that were raised. To get the project off the ground, concede Perdue, a state senator at the time, and other backers, proponents promised more than they could possibly deliver. Busick calls it the phantom figure. Leaning over a conference table in the double-wide trailer that serves as the TransPark headquarters in

Pain doesn't mean no gain

Not everyone has had to wait to gain from the \$78 million public investment in the Global TransPark. Questions about money surfaced in 1996, when records revealed that the project had paid millions of dollars to political cronies, lawyers and others in its first five years.

The most prominent was Seddon "Rusty" Goode. A campaign contributor and friend of both Republican Gov. Jim Martin and his Democratic successor, Jim Hunt, Goode collected \$160,000 as the TransPark Authority's president from 1991 through early 1995 while holding a full-time job as president of University Research Park in Charlotte. He used a state and state-chartered airplanes for 137 trips to Raleigh. Martin, now a Charlotte hospital executive,

says, "The plane allows the authority to draw people from all over the state, not just the 13-county region. What did they expect Rusty to do — walk?"

Goode and other backers took 10 trips to Hong Kong, Paris, Barcelona and other foreign cities at TransPark expense to recruit potential tenants. Mark Cramer, a Charlotte real-estate lawyer and friend of Goode's, received \$400,000 to lobby for the TransPark in Raleigh and Washington. Two Washington law firms were paid \$518,000 to do the same.

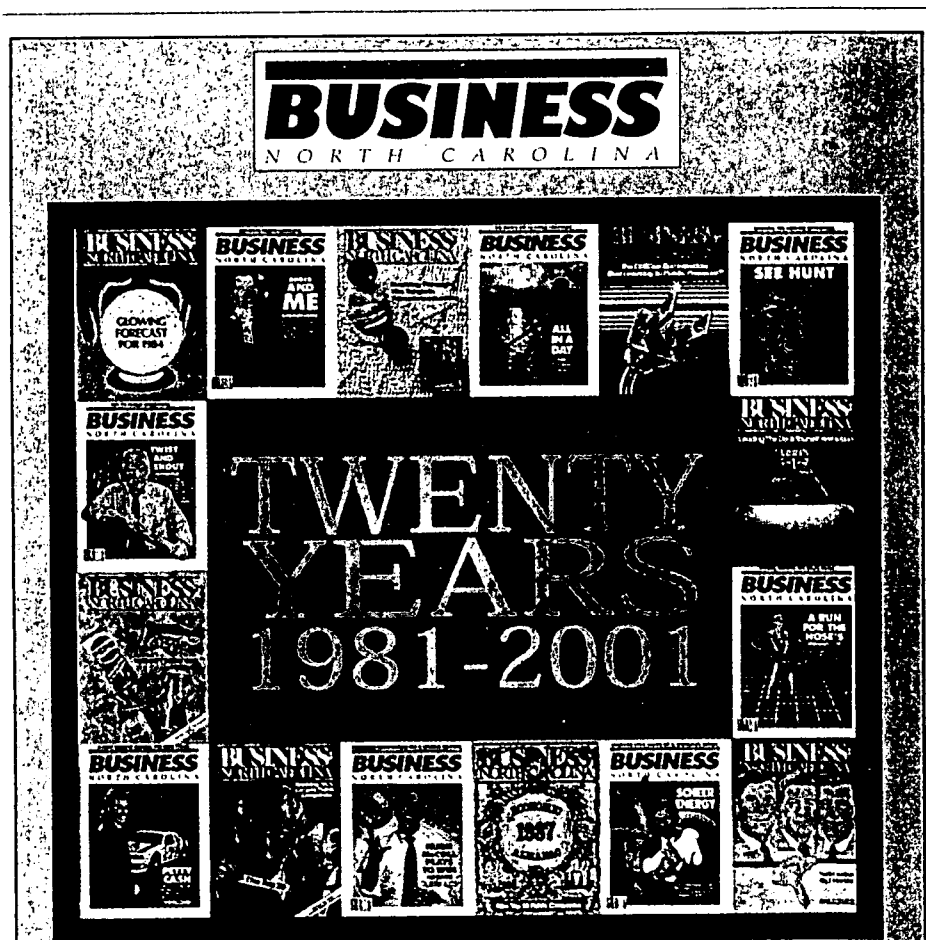
Charlotte-based Epley Associates Public Relations Inc. got \$350,000 to tout the project. The controversy "was a hell of a lot about nothing," President Joe Epley says. "There was a lot of jealousy. Folks in Charlotte, Greensboro and

Raleigh-Durham pooh-poohed it because they thought it should go there."

In May 1996, Hunt ordered a spending review, and \$500,000 was shifted from public relations, travel and other budgets, most of it to pay for environmental-impact studies. Former Carolina Power & Light Co. Chairman Sherwood Smith, who succeeded Goode as president in the spring of 1995, halted \$4,000-a-month payments to Goode, then serving as the TransPark's treasurer. He stepped down, saying he couldn't spare the time without use of the state plane.

Saying he "didn't have time to talk," Goode declined an interview with *BUSINESS NORTH CAROLINA* in January about the project. But he issued a two-page statement through TransPark officials. "Giving up the GTP at this point," it says, "would be like building a new road and deciding not to use it."

***"You have less industrial base in
the East, which slows development.
But that's where you need the jobs."***



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Kinston, he presses his fingers against his lips: "Let me enunciate. We never, ever said there would be 55,000 jobs by 1998."

That figure, he adds, is like the stories of alligators in the sewers of New York, his hometown, a myth repeated so often that it becomes gospel. He's right — partly. The \$5.3 million master plan by Kimley-Horn and Associates Inc., a Raleigh engineering firm, forecasts 49,600 jobs in the 20th year after the TransPark's first phase is finished. With the runway and infrastructure scheduled for completion by the end of this year, Busick argues that the clock has not even begun ticking yet. The official projection now is a more modest 3,600 jobs by 2010. But N.C. Department of Transportation records show the 55,000 figure is more than an alligator tale.

The first time it appears is May 22, 1991, in a report to Martin from Transportation Management Group Inc., the Raleigh firm that did the feasibility study. It concluded that the complex "would create 55,000 jobs and bring in \$2.8 billion annually" by 1998. But only if the state acted quickly: So many other states were about to leap on the bandwagon, the report warned, that delay would be fatal. It failed to mention that 55,000 jobs equaled the population of Wilmington at the time. That didn't deter boosters from trumpeting the number.

"They've been demanding ever since that we build their field of dreams," grouses Rep. Cole, who says his repeated demands for a business plan and five-year goals — deadlines — have been blocked by backers in the legislature. "The dream" has become a catch phrase for both critics and supporters.

"I live here. I have children I would like to come back to live and

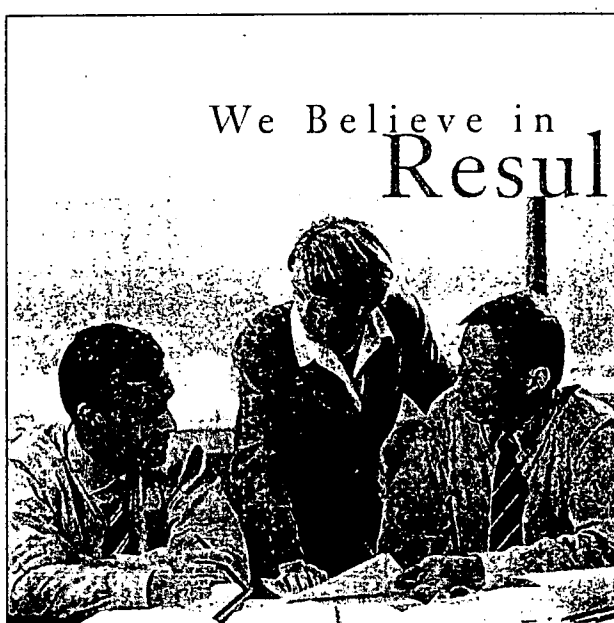
work here," Lt. Gov. Perdue says, expressing a longing common in Eastern North Carolina. "Hundreds of thousands of folks feel the same way. Unless we build a high-tech economy in rural North Carolina, Charlotte and the urban areas are going to continue to support us."

"The only kind of industrial growth you're going to get down there is textile mills and shirt factories," Stuart replies, "and we know where they're going — offshore. In the 1950s and 1960s, labor-intensive industries like that were driven out of the Piedmont to Eastern North Carolina by high wages. Now that phase is over."


 n a cloudless January morning, almost 10 years to the day after Martin proposed the TransPark, airport manager Don Howard slides behind the wheel of his white Suburban. Busick crawls in behind him. "In the original vision," he says, "air freighters would pull right up to factories to pick up and deliver. Now that concept is no longer, but the plan is that they would pull up to distribution centers that would serve clusters of several smaller manufacturers."

The plan has changed in other ways. Though Kasarda always envisioned shipping agricultural products, there's now more emphasis on melons, less on microchips. Supporters want money from the Golden Leaf Foundation, which is divvying up \$2.3 billion from the tobacco, to build chiller plants throughout the 13-county TransPark region and a cold-storage warehouse at the airport. "That would create a farm-to-world trading center," Perdue says.

**"The only kind of industrial growth
you're going to get down there is
textile mills and shirt factories."**



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C O V E R S T O R Y

"You could take the product to the chiller and move it out within 12 hours to Russia or Belgium."

"The minute they started talking about shipping strawberries to Japan, they should have shot the whole idea in the head," scoffs John Hood, president of the John Locke Foundation, a conservative think tank in Raleigh. "You're not going to grow them at the airport, so you've got to truck them somewhere. Why not just truck them a few more miles to Raleigh-Durham."

The critics are too impatient, Busick retorts. Though what became the Global TransPark Authority was created in 1991, it wasn't until 1999 that it paid the city and Lenoir County a token \$100 for what had been the Kinston Regional Jetport. "There was no TransPark for those eight year," he snaps. "There was only a concept."

The tension is telling. Even the TransPark's successes carry controversy. Its second new tenant, Segrave Aviation Co., got \$1.2 million in incentives to move from Pitt County-Greenville Airport. Not only does it employ 47, its presence forced ISO Aero Service Co., which has been at the airport since 1969, to lower its fuel prices, which the TransPark wanted. But ISO owner Ken Vojta claims subsidized competition has forced him to lay off 15 of his 30 employees and could put him out of business. His rival, Jim Segrave, is a great-nephew of Felix Harvey, president of the Global TransPark Foundation, which raises money for the project.

Time has become the enemy. After the longest expansion in American history, the economy is finally cooling down, chilling plans for corporate expansion. The companies the TransPark wanted most — high-tech manufacturing — are



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among those hit hardest. Ten years and counting. Whether the delays, the derision and the controversy have fatally wounded the project remains to be seen. But one thing is clear: The TransPark is in a fight for its life, and a siege mentality has engulfed the place and its people.

It's late morning. In a darkened auditorium in the new training center, Busick paces in front of the stage, cueing a technician to show slides.

This is the TransPark's standard presentation: scripted, polished, defensive. "If there's a hole in one end of the boat," reads one slide, aimed at opponents in the urban centers, "you can't sit at the other end and think it won't affect you."

A list of companies "within the GTP Initial Development Area," part of the TransPark's recruiting packet, shows 30 business and 2,822 employees, a seemingly bustling business environment. The largest — Alside Co., a 450-employee window maker — moved to Kinston in 1989, two years before the TransPark was proposed. Included in the list is the FAA control tower. At the bottom is a two-person Highway Patrol station.

"There's an element of desperation that's sad and even pathetic," Hood says. "We've got economic developers, mayors, chambers of commerce, county commissioners who've staked their futures on the TransPark. They talk about, 'How are we going to handle the growth.'"

In a decade when delays have plagued the TransPark, time has been an ally of its rivals. Charlotte/Douglas International Airport, the nation's 20th-largest, is extending one of its existing three runways to 12,000 feet, long enough to accom-

modate air freighters coming and going from the Pacific Rim. It's building a fourth runway, which will include a giant rail/trucking/air intermodal complex — an urban TransPark. In 1991, airport director Jerry Orr says, Charlotte offered to create the TransPark for free, but the state declined. "They said we were in the wrong place. Do we compete for the same market? Yes. Are they competitive with us? No. Does the TransPark have a future? No."

Busick props his foot on a seat in the auditorium. "We've made the investments here, and, yes, they're ready to pay off now." Wait, he and other supporters argue. The Research Triangle Park took decades to get off the ground. Busick cues another slide. It shows that the TransPark is ahead of where RTP was in its 10th year. And that was before the era of environmental studies and other red tape.

The argument is a long, complex one. In 1965, six years after breaking ground, only 908 people worked in RTP. That year, IBM Corp. came and opened a manufacturing operation. By 1970, in its 11th year, 8,000 were employed in the Park. Today, 44,000 work there. RTP, the TransPark critics point out, was built with money raised from private sources. And the most important infrastructure was already in place: It was tucked between Raleigh and Durham — the state capital and another of its largest cities — among three world-class research universities.

Busick tells the technician to cue the last slide. All we need is one break. An IBM. The FedEx that got away. The skeptics would see. The auditorium is dim, the smell of paint still fresh. The air-conditioning breathes softly. It's quiet. You can almost hear his watch ticking.

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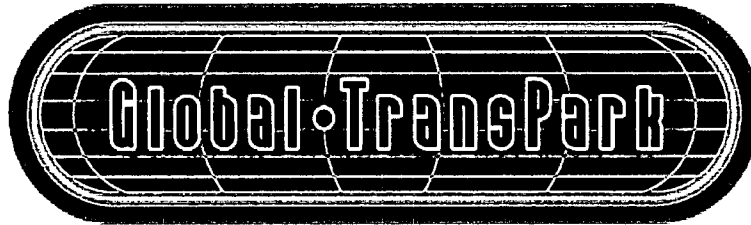
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About the Development of the Global TransPark

The North Carolina Global TransPark is well on its way to becoming a unique multi-modal business center designed to support manufacturing, distribution and transportation-related companies involved in national and international commerce.

By fully integrating air, rail, road and nearby sea transportation capabilities – and by supporting e-commerce needs – the Global TransPark will meet current and future logistics requirements of tenants and users.

The GTP is a long-range project that will one day encompass more than 15,000 acres and create tens of thousands of direct and indirect jobs.

The GTP project has benefited greatly from the support of the North Carolina General Assembly and the Federal Aviation Administration.

Initial development steps have focused on putting in place the initial on-site and regional infrastructure enhancements and other resources that will provide the core qualities most needed by businesses.

Development of the GTP has accelerated as the project completed the mandatory planning phase and received the environmental permits and funding that have allowed it to begin initial construction work. Since October 1998, when the GTP received a 404 Permit from the U.S. Army Corps of Engineers:

- The first two phases of the GTP runway extension work have been completed on time and under budget.
- Contracts have been awarded for the final phase of the runway construction work. The runway will be extended to 11,500 feet by the end of 2001.
- The construction of a taxiway and cargo ramp on the north side of the runway is complete.
- During 2001, a 50,000 square foot air/ground cargo facility will be built adjacent to the cargo apron.
- The GTP's state-of-the-art Education and Training Center (ETC) is open, and classes have begun. An associate degree program in Global Logistics Technology is one of the courses being developed by a consortium of the ETC, Lenoir Community College and the University of North Carolina at Chapel Hill.
- Improvements have been completed to U.S. 258, which serves the Global TransPark – the first step in building an improved connection to US 70.
- The first phase of the Crescent Connector road project is under construction. The road is the first link in the GTP's interstate quality connection to I-95.
- Environmental mitigation work is moving forward with the planting of nearly one million trees at nearby Dover Bay and on the GTP site.
- Construction is complete on two new hangars and office facilities that will support General Aviation requirements.
- Construction is complete on a 100,000 square foot pharmaceutical distribution facility built by Neil Medical Corp.



Features of the Global TransPark

A major differentiating feature of the Global TransPark will be its integration of innovative and basic infrastructure and services. This will produce a rapid response environment for business to improve productivity and enhance profitability. Ultimately, some of the Global TransPark's valuable features will include:

- Flexible site encompassing up to 15,300 acres with industrial and commercial parcels offering options to direct air, truck, and rail access combinations, located near deep water ports.
- Airfield planned to handle the next generation of large, advanced aircraft.
- On-site, fully integrated Education and Training Center.
- Foreign Trade Zone.
- Direct links to national fiber optic telecommunications networks.
- A setting where the natural environment has been enhanced by proactive planning.
- Flexible and modular infrastructure including water, sewer, and storm water, as well as redundant telecommunications and power sources.
- On-site, integrated, intermodal rail facility with direct connections to two Class 1 rail lines.
- Speedy access to two major seaports (Morehead City and Wilmington).
- Interlinked, intermodal Cargo Transfer System.
- Flexible and efficient cargo processing facilities with simultaneous air and ground access.
- A state-of-the-art global logistics communications network for integrating and tracing all operations.
- On-site, integrated commercial development.
- Value-added services consolidated for "one stop shopping."
- Access to shared resources, such as the Electronic Data Interchange Service.
- Areas reserved for future military needs.
- Extended global reach via dual runways, capable of simultaneous 24-hour operation.
- Multiple connections to interstate highways.



DEVELOPMENT HIGHLIGHTS

Global TransPark Chronology

April 1991	<ul style="list-style-type: none">As proposed in Gov. Jim Martin's State of the State address, the North Carolina Department of Transportation commissions a study of a "Global Air Cargo Industrial Complex," a concept proposed by Dr. Jack Kasarda, the director of the Kenan Institute of Private Enterprise at the University of North Carolina - Chapel Hill.
July 1991	<ul style="list-style-type: none">General Assembly creates North Carolina Air Cargo Airport Authority, now known as the North Carolina Global TransPark Authority.
September 1991	<ul style="list-style-type: none">Global TransPark Authority holds first meeting. Then Governor Jim Martin is its first chairman, Seddon Goode Jr. is the first president.
February 1992	<ul style="list-style-type: none">After receiving a technical feasibility study, the Global TransPark Authority invites all North Carolina communities to submit proposals to host the Global TransPark.
May 1992	<ul style="list-style-type: none">After reviewing 11 submitted proposals, Global TransPark Authority selects Kinston as the site for the Global TransPark.
September 1992	<ul style="list-style-type: none">Global TransPark Authority receives Federal Aviation Administration Grant of \$622,000 to assist in paying for GTP Master Plan.
November 1992	<ul style="list-style-type: none">Global TransPark Authority enters into agreement for preparation of Master Plan.Global TransPark Authority conducts public meeting for residents of Global TransPark area.
January 1993	<ul style="list-style-type: none">Federal Aviation Administration issues grant of \$1 million to the Kenan Institute of Private Enterprise for preparation of research and studies to assist in development of GTP Master Plan and concept of integrated manufacturing and air cargo facilities.
February 1993	<ul style="list-style-type: none">Global TransPark Authority holds public meeting for residents of GTP area on land acquisition procedures.
March 1993	<ul style="list-style-type: none">Mount Olive College begins an annual public conference on the Global TransPark. Hundreds of business leaders and public officials attend the all-day conference and hear reports by Gov. Jim Hunt, former Gov. Jim Martin, state and federal officials and business leaders.
May 1993	<ul style="list-style-type: none">Global TransPark Authority holds public meeting on proposed airport alignment plan.
July 1993	<ul style="list-style-type: none">Global TransPark Foundation, a 501 (c)(3) not-for-profit corporation, sets \$30 million target for private funds to support GTP development.Gov. Jim Hunt becomes chairman of the Global TransPark Authority.Former Gov. Jim Martin becomes chairman of the Global TransPark Foundation.
August 1993	<ul style="list-style-type: none">Global TransPark Foundation raises \$3 million in Lenoir County to begin its fund-raising.Global TransPark Authority chooses the airfield alignment for the Global TransPark.
September 1993	<ul style="list-style-type: none">U.S. Rep. James Oberstar of Minnesota, chairman of the House Public Works and Transportation Committee's subcommittee on aviation, visits site and says the Global TransPark represents the "leading edge in transportation."
November 1993	<ul style="list-style-type: none">The Global TransPark Commission is chartered by the General Assembly and authorized to collect a \$5 auto tag levy for five years, from July 1, 1994, through June 30, 1999. The levy provides marketing and economic development support for the 13 counties in the region and cannot be used to develop the Global TransPark complex.
January 1994	<ul style="list-style-type: none">Global TransPark Authority receives master plan for Global TransPark, including 20-year projection by Kimley Horn that GTP will generate nearly 50,000 new jobs.
March 1994	<ul style="list-style-type: none">Global TransPark Foundation reaches \$10 million in private support.
April 1994	<ul style="list-style-type: none">Mountain Air Cargo announces plans to become first tenant.Then-U.S. House Speaker Tom Foley visits site and calls GTP "a model for rest of the world."

May 1994	<ul style="list-style-type: none"> Global TransPark Authority, after review period for the Environmental Assessment in its Master Plan, notifies the FAA that it believes the public interest will best be served by preparing an Environmental Impact Statement on the Global TransPark.
July 1994	<ul style="list-style-type: none"> The FAA announces publicly that it will conduct an Environmental Impact Statement on the Global TransPark. The FAA will be the lead agency in the process and the U.S. Army Corps of Engineers will be a cooperating agency. Vice Admiral Edward M. Straw, commander of the Defense Logistics Agency, visits site and lauds the project. The DLA oversees the distribution of supplies and materiel for U.S. military personnel.
October 1994	<ul style="list-style-type: none"> U.S. Secretary of Transportation Federico Pena visits site and applauds project. Annual conference at Mount Olive College focuses on Global TransPark.
December 1994	<ul style="list-style-type: none"> Meeting in Brussels, government and business representatives from North Carolina, Thailand and Europe sign a declaration of cooperation on developing an international Global TransPark system.
February 1995	<ul style="list-style-type: none"> FAA selects URS Greiner, Inc. to prepare Environmental Impact Statement.
April 1995	<ul style="list-style-type: none"> Sherwood Smith, Chairman of CP&L, is named president of the Global TransPark Authority.
May 1995	<ul style="list-style-type: none"> The FAA, U.S. Army Corps of Engineers and URS Greiner, Inc. hold a public scoping meeting on the Environmental Impact Statement.
June 1995	<ul style="list-style-type: none"> Public hearing on GTP's application for designation of project as Foreign Trade Zone. William Reinsch, U.S. undersecretary of Commerce for Export Administration, visits site and praises GTP plans.
August 1995	<ul style="list-style-type: none"> Global TransPark Authority receives \$4.8 in federal military construction funding to extend runway from 7,500 to 8,600 feet, overlay the entire runway, and construct a hardstand and connector taxiway. The Authority and the U.S. military enter into a 20 year Cooperative Agreement allowing military use of the GTP for aviation training purposes. Groundbreaking for Mountain Air Cargo facility. Second public meeting on Environmental Impact Statement.
October 1995	<ul style="list-style-type: none"> Gov. Jim Hunt signs agreement of cooperation with Subic Bay Freeport in the Philippines. Business and government leaders review Global TransPark developments during GTP regional conference at East Carolina University.
November 1995	<ul style="list-style-type: none"> U.S. Trade Representative Mickey Kantor, in Raleigh for the Governor's Summit on Agriculture, says the GTP represents the future of competitiveness in the United States.
December 1995	<ul style="list-style-type: none"> U.S. Agriculture Secretary Daniel Glickman tells the North Carolina Farm Bureau's Annual Meeting that the Global TransPark is in the forefront of a changing global economy.
May 1996	<ul style="list-style-type: none"> U.S. Secretary of Commerce Mickey Kantor announces in Raleigh that the Global TransPark is approved as a Foreign Trade Zone. Kantor also announces a \$3 million grant from the U.S. Department of Commerce's Economic Development Administration to build an education and training center at the Global TransPark.
August 1996	<ul style="list-style-type: none"> Mountain Air Cargo/Mountain Air Services opens new facility as the first recruited tenant in the Global TransPark. Construction to strengthen and lengthen runway (from 7,500 to 8,600 feet) at Kinston Regional Jetport is completed.
November 1996	<ul style="list-style-type: none"> GTP regional conference held at Mount Olive College. Gov. Jim Hunt calls on state and federal agencies to complete GTP environmental studies promptly.
December 1996	<ul style="list-style-type: none"> FAA updates Global TransPark Authority on progress of Environmental Impact Statement and forecasts release of Draft EIS in early 1997.
January 1997	<ul style="list-style-type: none"> Draft Environmental Impact Statement released by FAA and US Army Corps of Engineers.
March 1997	<ul style="list-style-type: none"> Public hearing held on Environmental Impact Statement.
May 1997	<ul style="list-style-type: none"> Work begins on Education and Training Center site.
June 1997	<ul style="list-style-type: none"> Global TransPark Foundation announces it has reached \$18 million in private support.
July 1997	<ul style="list-style-type: none"> Final Environmental Impact Statement released by FAA and US Army Corps of Engineers.
September 1997	<ul style="list-style-type: none"> FAA issues EIS Record of Decision supporting GTP development.

October 1997	<ul style="list-style-type: none"> • GTP Foundation pledges \$75,000 to support "cybercampus" at Kinston High School. • FAA makes \$2.115 million funding commitment to GTP runway design work. • U. S. Treasury provides \$500,000 for U.S.-Thailand Customs improvement demonstration project
November 1997	<ul style="list-style-type: none"> • GTP regional conference held at East Carolina University focuses on industry changes, especially the growing importance of logistical operations. • General Walter Kross, Commander in Chief of the US Transportation Command visits the GTP and receives briefing on the project. He expresses strong interest in integrated intermodal planning for the GTP, as well as business and information system plans.
December 1997	<ul style="list-style-type: none"> • FAA awards \$500,000 to Kinston Regional Jetport to construct a new Air Rescue and Firefighting building and to improve runway lighting.
January 1998	<ul style="list-style-type: none"> • More than 500 people attend a rally to support locating the FedEx Mid-Atlantic Hub at the GTP • Approximately 75 people attend a hearing on the state's 401 certification process.
February 1998	<ul style="list-style-type: none"> • Marconi Commerce Systems locates at a facility on the GTP site. Marconi is an international company; it builds and rebuilds petroleum pump equipment here.
April 1998	<ul style="list-style-type: none"> • The Secretary of the U.S. Department of Transportation, Rodney Slater, visits the GTP and receives briefing on the project. He states that the GTP is the type of innovative intermodal project the Intermodal Surface Transportation Efficiency Act was designed to encourage. • N.C. Division of Water Quality issues 401 certification to GTP.
June 1998	<ul style="list-style-type: none"> • The GTP Authority and GTP Foundation, with the cooperation of the N.C. Department of Agriculture are instrumental in an announcement made by Farm Progress Companies that it will inaugurate a Carolina Farm Show and hold it annually at the GTP site.
July 1998	<ul style="list-style-type: none"> • U.S. Department of Transportation announces that the Federal Aviation Administration will provide \$17.5 million in construction funding over three years for initial airfield improvements needed to transform the Kinston Regional Jetport into the North Carolina Global TransPark.
September 1998	<ul style="list-style-type: none"> • Rear Admiral Paul E. Busick (ret.) is selected to serve as the new president and executive director of the NC Global TransPark Authority. • The GTP Authority and the Neuse River Foundation jointly announce that a settlement has been reached concerning the NRF's challenge to the GTP's 401 certification.
October 1998	<ul style="list-style-type: none"> • The U.S. Army Corps of Engineers issues a 404 permit to the GTP, concluding the project's environmental approval process. The Corps' permit authorizes both construction to extend the GTP's runway to 10,600 feet and industrial development at the Global TransPark site. • More than 400 people attend the GTP Authority's annual meeting, which is held at the Mountain Air Cargo Facility. • The State of North Carolina serves notice to local governments that it will assume control of the Kinston Regional Jetport to build the GTP. • The first construction contract is awarded for work related to the Global TransPark runway extension project. • The first contract is awarded for environmental mitigation services related to the GTP's construction and development. • The N.C. General Assembly provides the first matching funds to be utilized in conjunction with a federal grant for runway construction.
January 1999	<ul style="list-style-type: none"> • Ownership of Kinston Regional Jetport transferred to GTP Authority. • Construction of runway extension begins (box culvert construction).
February 1999	<ul style="list-style-type: none"> • Partrade Trading Company locates at a facility on the GTP site. Partrade is an international equestrian equipment manufacturer.
April 1999	<ul style="list-style-type: none"> • GTP Authority Education and Training Center is co-recipient of National Science Foundation Grant to develop Global Logistic Technology associate degree program. • Box culvert portion of runway construction completed.
July 1999	<ul style="list-style-type: none"> • N.C. General Assembly appropriates second installment of matching funds for runway construction.
August 1999	<ul style="list-style-type: none"> • Work begun on second phase of runway extension work (hauling 800,000 cubic yards of fill).
October 1999	<ul style="list-style-type: none"> • GTP serves as logistical staging area for rescue and relief operations following Hurricane Floyd.
January 2000	<ul style="list-style-type: none"> • NC DOT begins construction on first section of Crescent Connector highway project that will provide the GTP with a high-quality, multi-lane connection to US 70.

February 2000	<ul style="list-style-type: none"> • Ground broken for new 21,000 square foot hangar and office facility to be occupied by Segrave Aviation, a company that was announced as a GTP tenant in November 1999. • Tree-planting ceremony at Dover Bay officially marks the beginning of the GTP 4,600 acre environmental mitigation work – a total of nearly 1 million trees will be planted.
March 2000	<ul style="list-style-type: none"> • Construction completed on GTP Educations and Training Center. State-of-the-art center occupied and readied for classes focused on new and expanding industry.
April 2000	<ul style="list-style-type: none"> • Construction begun on connector taxiway and hardstand on north side of GTP runway. • Neil Medical begins construction on 100,000 square foot distribution center at the GTP.
May 2000	<ul style="list-style-type: none"> • GTP Regional Conference held at Mount Olive College. • Chief of Staff General Hugh Shelton visits GTP, tours Education and Training Center and is briefed on the GTP project. • First classes focused on new and expanding industry held at new Education and Training Center.
July 2000	<ul style="list-style-type: none"> • N.C. General Assembly appropriates third installment of matching funds for runway construction. • General Charles T. Robertson, Jr., Commander in Chief of the U.S. Transportation Command, and Lt. General John M. McDuffie, Director for Logistics of the Joint Staff, the Pentagon, visit the GTP and receive briefing on the project. General Robertson states that the capabilities of the GTP are dramatically interesting and Lt. General McDuffie expresses strong interest in the planned intermodal functionality of the GTP.
August 2000	<ul style="list-style-type: none"> • Construction completed on Segrave hangar and office facility. • E.I. DuPont locates a warehouse and distribution facility on the GTP site.
September 2000	<ul style="list-style-type: none"> • Contracts awarded for the final phase of the runway extension project.
October 2000	<ul style="list-style-type: none"> • Ground broken for second new General Aviation facility. • First Annual Carolina Farm Show held at the GTP.
January 2001	<ul style="list-style-type: none"> • The ETC proves itself a regional asset reaching the 10,000-served mark after being open only nine months.

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

April 5, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

NAME	FIRM OR AGENCY AND ADDRESS
Smithson Mills	NC DOTCS Intl Trade Office
Jim Sychme	NC GTPA
Maurice Key	OSBPM
Milt Alfred	OSBPM
V L McBride	NOTA
General George	NC GTPA
Marcia Benton	NC DOT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **JOINT APPROPRIATIONS/
Transportation** will meet as follows:

DAY & DATE: Tuesday, April 10 (and at 1:30 pm joint with Information
Technology Committee),
Wednesday, April 11 and
Thursday, April 12, 2001

TIME: 9:00 A.M.

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at
1:00 p.m. on Thursday, April 5, 2001.

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 10, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Transportation Improvement Program Funding Issues

Calvin Leggett, DOT

JOINT APPROPRIATIONS COMMITTEE ON TRANSPORTATION

Minutes

April 10, 2001

9:00 a.m.

Room 1228 LB

The Joint appropriations Subcommittee on Transportation met on April 10, 2001 at 9:00 a.m. in room 1228 of the Legislative Building. Representative Nelson Cole presided. Five members of the Senate committee were in attendance. A visitor registration list is attached and made part of these minutes. The following members of the House committee were present:

Rep. Nelson Cole
Rep. Jim Crawford
Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Lorene Coates

Rep. Don Davis
Rep. Jerry Dockham had an excused absence
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Nelson Cole opened the meeting and acknowledged the pages. Ruth Sappie, DOT liaison for the Legislature, passed out Work Zone Safety buttons to the members and she noted that this is National Work Zone Safety Week and North Carolina was recognized on April 9, 2001 in Washington, DC as having a model work zone safety program among the 50 states.

Representative Cole introduced Calvin Leggett, Manager of the Program Development Branch of DOT, who talked about the Transportation Improvement Program funding issues. See handout #1, TIP Budget Issues, that he talked from. The first issue that is evident from the budget is that over 75% of the available road building funds are being funneled to a very small percentage of the statewide needs. That is due largely to the function of the Highway Trust Fund that directs a significant portion of the budget to a small set of projects. The second issue is that the current equity formula creates disproportionate allocation of scarce Federal funds to some divisions. The third issue is a large proportion of the state's highway system is not eligible for any budget TIP funding. Some of this issue is created by lack of growth in the highway fund. The projected growth rate for the highway trust fund is 4.3% which comes from the construction budget. Federal aid funds are projected to grow at 1.6% per year and the highway fund to grow at 2.65% per year. Inflation is projected at 2.7% which indicates that the federal aid fund and highway fund will not keep up with inflation. The demand on the highway system has been growing at a rate of 6.7% which indicates that none of these sources can keep up with that. If inflation is taken out of the revenue projections, the highway trust fund is the only one to grow faster than inflation over the next few years. A demand was created during the 1990's which created a large demand for transfer of the highway trust fund to the highway fund to meet federal aid. The current needs for today are in the range of \$200 million and it will grow in the future.

The TIP budget is driven by two funds, the highway trust fund and the federal-aid funds. 80% of the budget is assigned to the trust fund system which accounts for a little less than 15% of the

Joint Appropriations Subcommittee on Transportation
April 10, 2001
Page 2

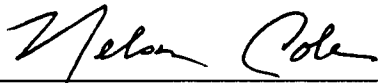
state's needs. The bottom line is that the state needs \$45 billion over a 20 year period for highway maintenance and construction. Discussion followed.

Handout #2 shows the Intrastate highway projects that have been completed and fully funded since the passage of the 1989 Highway Trust Fund Act. Handout #3 shows the projects that are still Trust Fund eligible. 79% of the budget has to go to the areas indicated by the green lines on this map. Handout #4 shows the existing multi-lane roads, ones that need improving and bond and future bond funded roads.

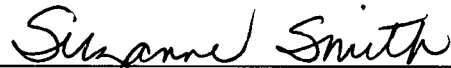
The potential responses that the department recommends are to adjust the distribution law, change the revenue base of Highway Fund to provide greater future growth potential and expand state highway trust fund flexibility.

The chair adjourned the meeting at 9:55 a.m. with the next meeting to be held at 1:30 p.m. today, April 10, 2001.

Respectfully submitted:



Representative Nelson Cole
Chairman, House Committee



Suzanne Smith
House Legislative Committee Assistant

TIP Budget Issues

Calvin Leggett, PE
Manager, Program Development Branch



- s Nearly 80% of available road building funds are being funneled toward less than 20% of identified needs***

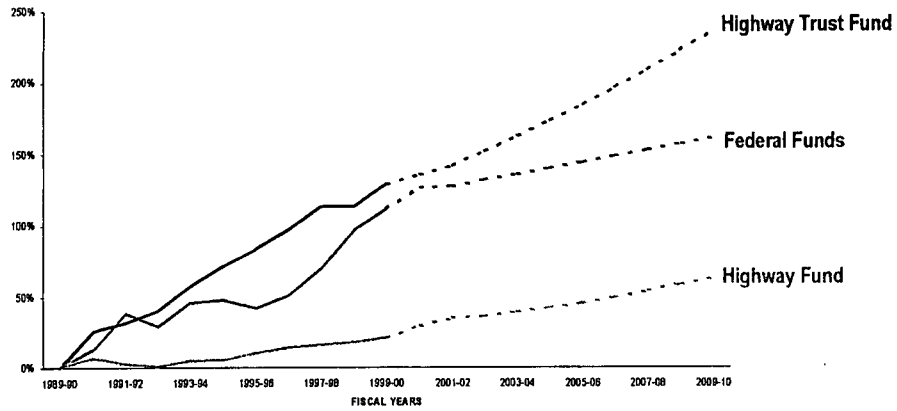
- s Current equity formula creates disproportionate allocation of scarce Federal funds to some Divisions***

- s A large proportion of the state's highway system is not eligible for any budgeted TIP funding***



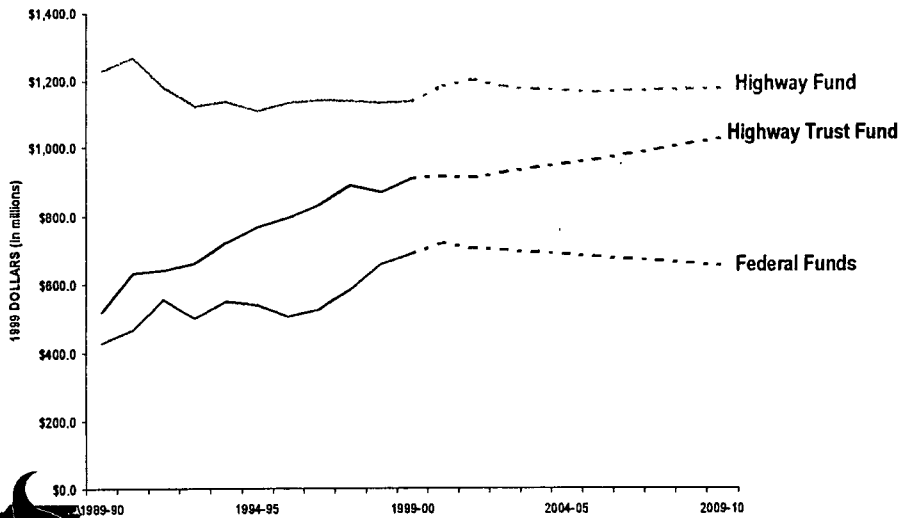
Lack of growth in Highway Fund

PERCENT REVENUE CHANGE

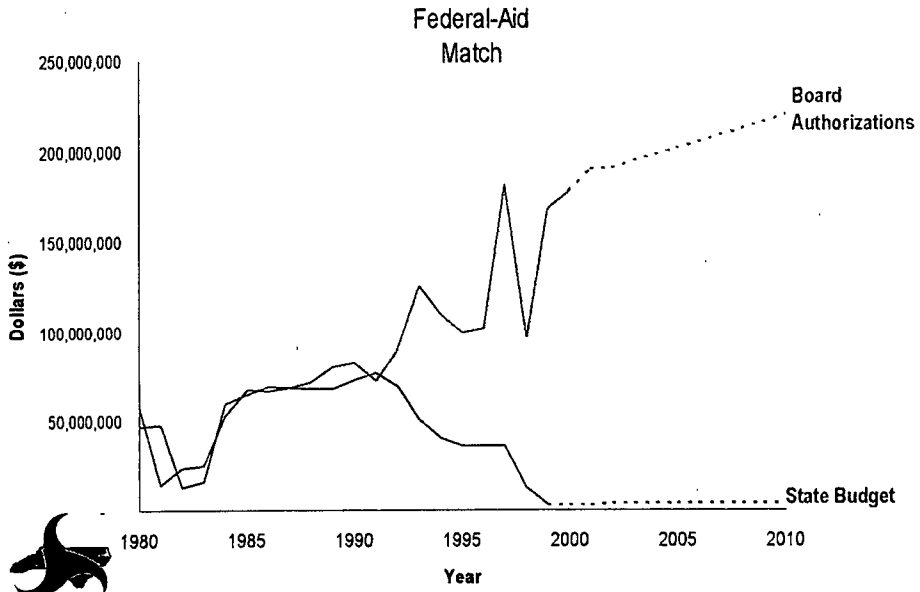


Lack of growth in Highway Fund

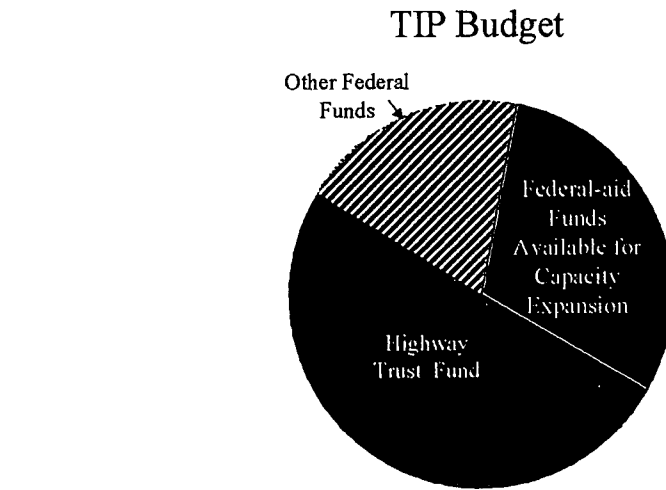
REVENUE TRENDS



Lack of funding allocation to match Federal-aid funds

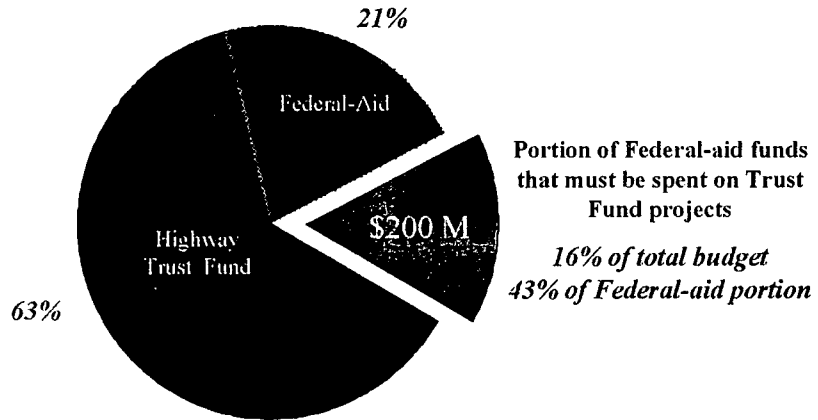


Lack of funding allocation to match Federal-aid funds



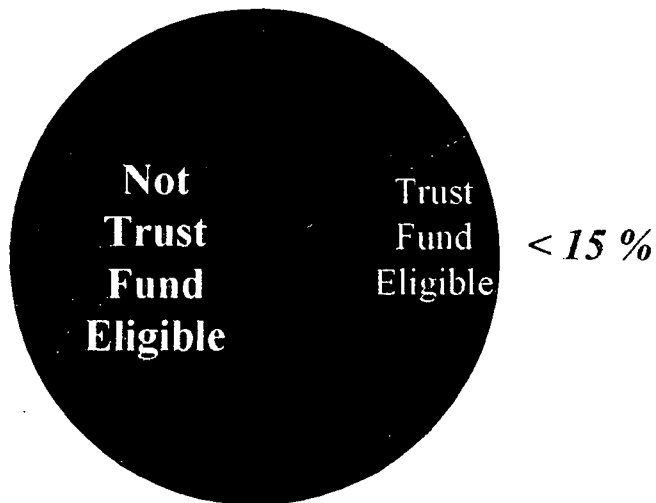
Lack of funding allocation to match Federal-aid funds

TIP Budget - Capacity Expansion Only



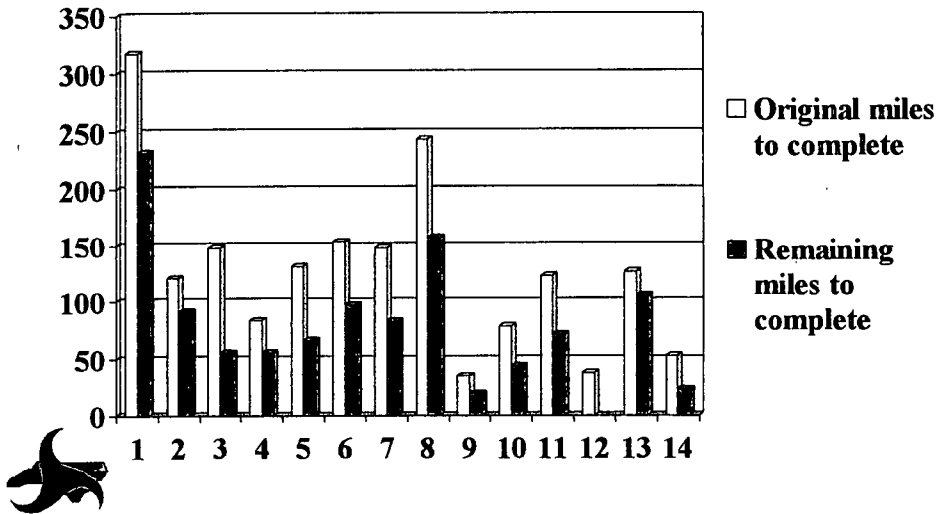
State statutes assign large percentage of highway funds to small percentage of needs

Needs \approx \$45 Billion



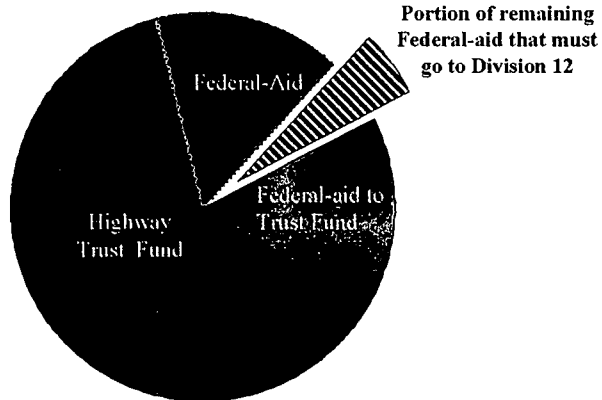
State statutes assign large percentage of highway funds to small percentage of needs

Remaining Intrastate Mileage by Division



State statutes assign large percentage of highway funds to small percentage of needs

TIP Capacity Expansion Budget

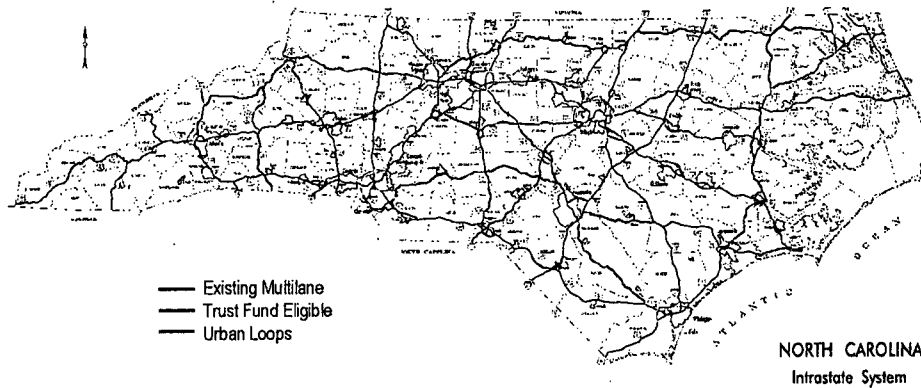


Division 12 - no Intrastate mileage remaining



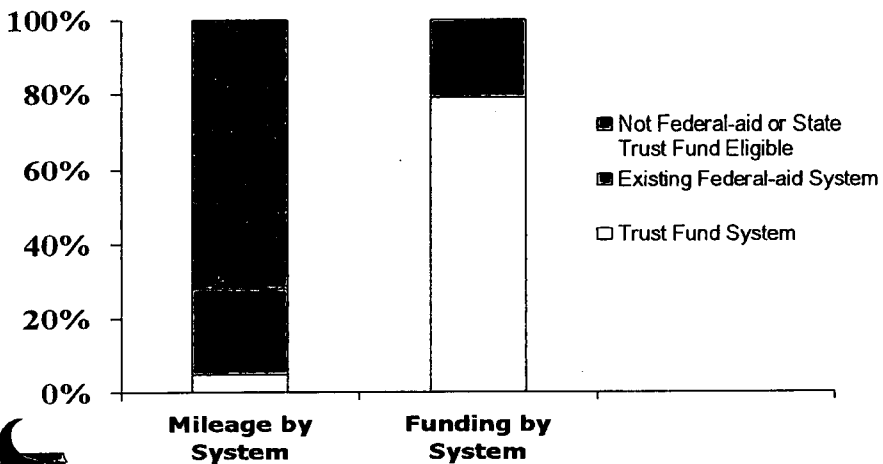
State statutes assign large percentage of highway funds to small percentage of needs

Intrastate System Map



High percentage of State system ineligible

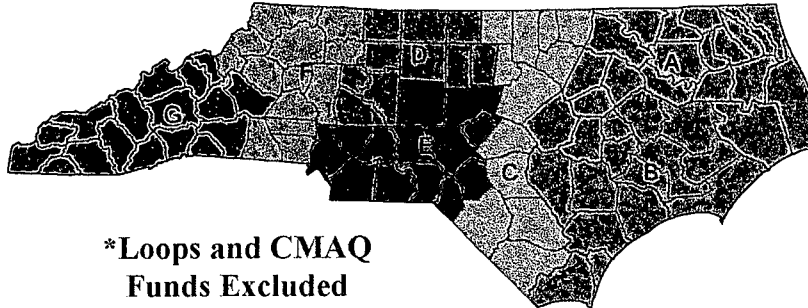
Portion of State System that is Eligible for Improvement Funding



Equity formula disincentive

Equity Formula

50% POPULATION OF REGION AS PERCENT OF STATE	25% REMAINING INTRASTATE SYSTEM MILES	25% Equal Share
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Potential Responses

- **Adjust Distribution Law**
 - * Lower miles-completed threshold to shift funds to population and equal-share
 - * Change miles-to-complete to system mileage
- **Change revenue base of Highway Fund to provide greater future growth potential**
 - * Change revenue base structure to add use tax component to Highway Fund
- **Expand State Highway Trust Fund Flexibility**
 - * Make matching of Federal-aid funds an eligible Trust Fund expense
 - * Make other types of activities Trust Fund eligible (such as maintenance)

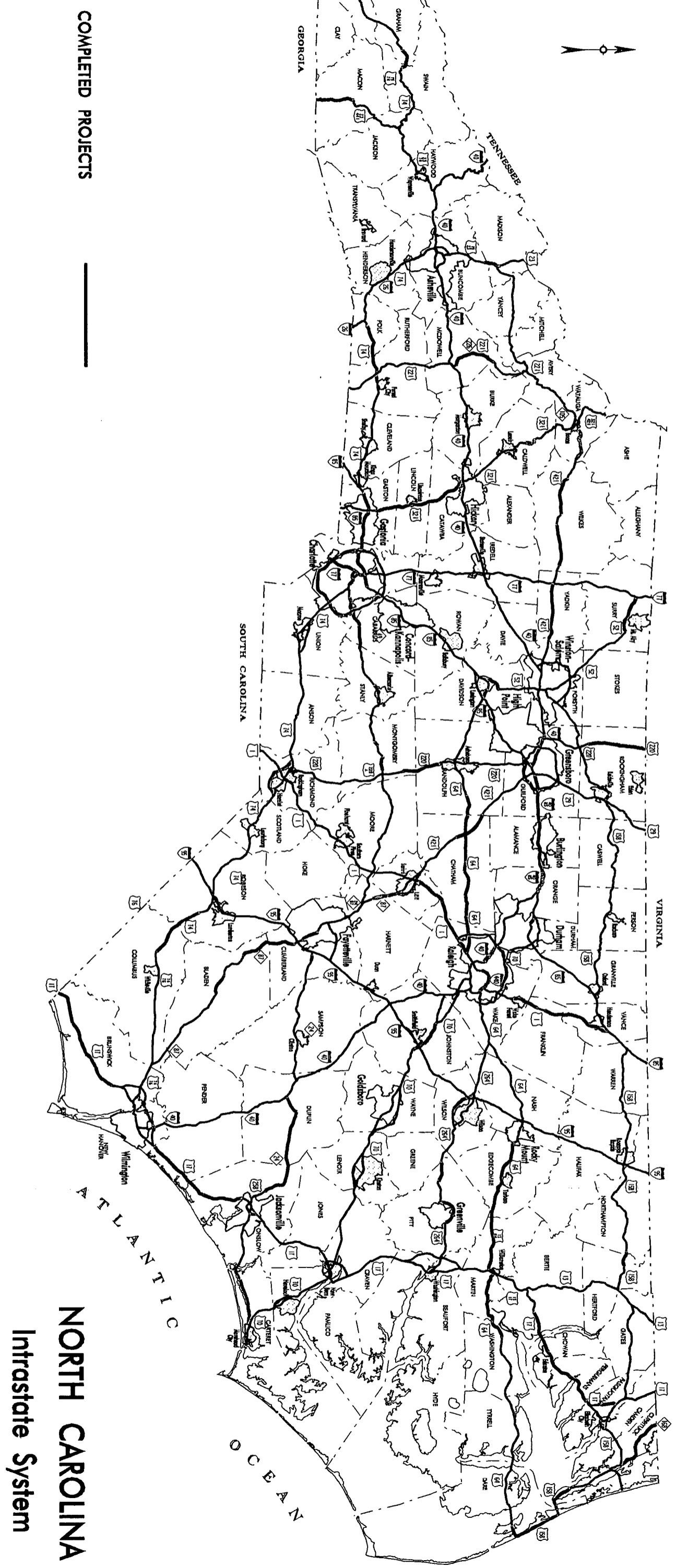


Potential Responses

- **Add Trust Fund Projects**
 - * *Add Interstate widening as an eligible category*
 - * *Add all intrastate route improvements as an eligible category*
 - * *Add legislatively specific projects*

- **Provide additional funding**
 - * *Establish State construction program in Highway Fund*
 - * *Increase maintenance funding in the Highway Fund*
 - * *Phase out transfer to General Fund*

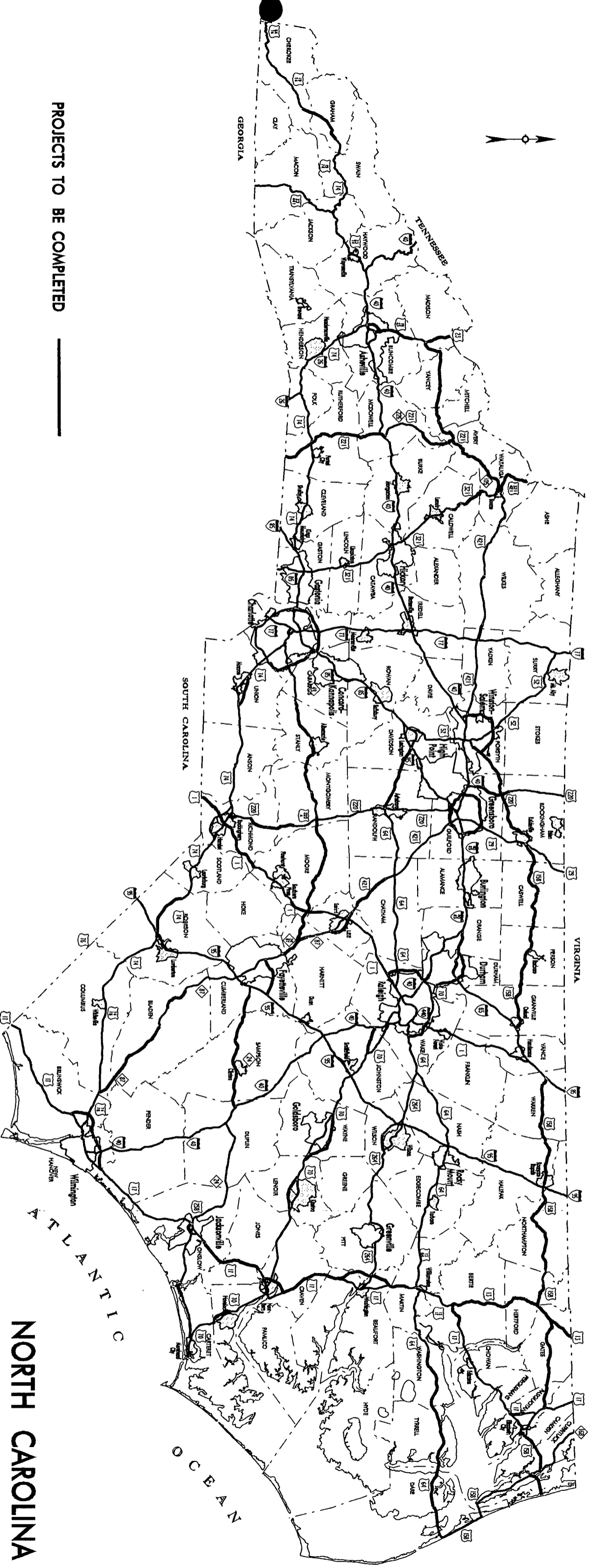




NORTH CAROLINA
Intrastate System

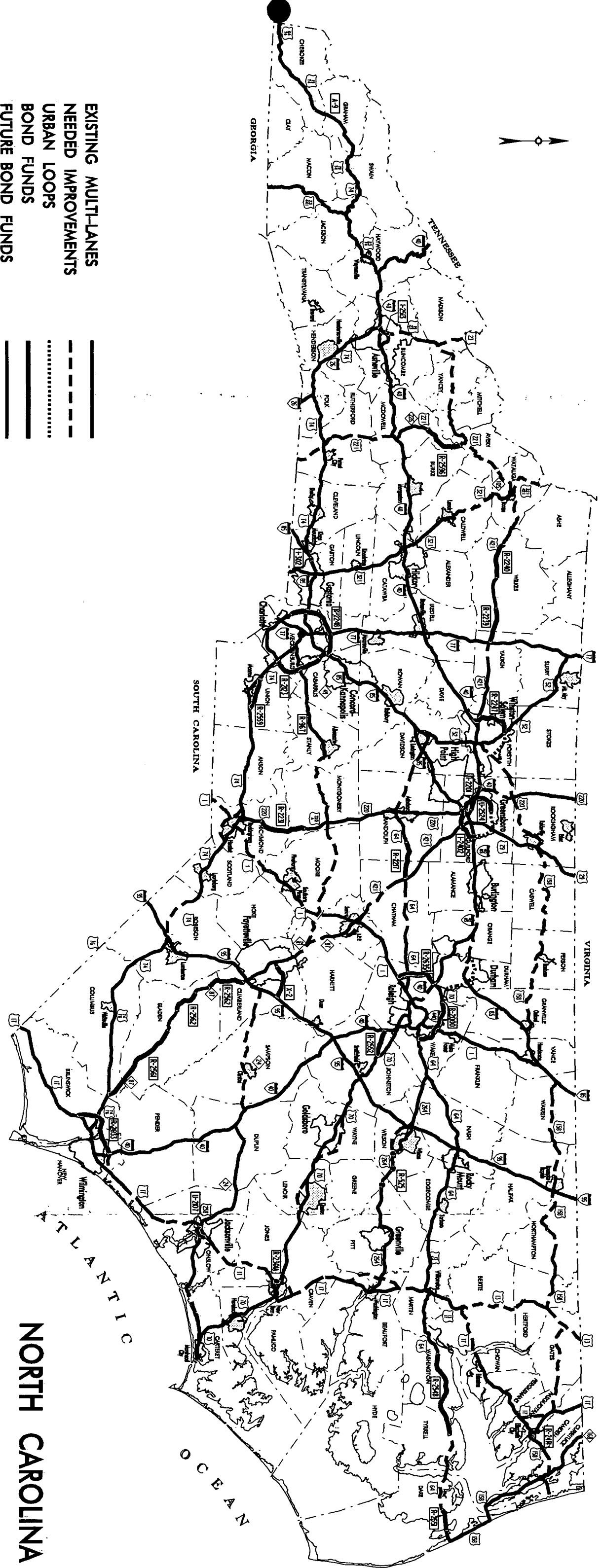
COMPLETED PROJECTS





PROJECTS TO BE COMPLETED

NORTH CAROLINA Intrastate System



NORTH CAROLINA Intrastate System

BOND AUTHORIZATIONS THROUGH MARCH 2001

ROUTE	PROJECT#	DIVISION	COUNTY	TYPE	AMOUNT	DESCRIPTION
INTRASTATE:						
I40	I-2201F	7	GUILFORD	2	\$ 500,000	I40 FROM E OF CHIMNEY ROCK RD TO E HOLDEN RD
I40	I-2201F	7	GUILFORD	3	51,875,435	I40 FROM E OF CHIMNEY ROCK RD TO E HOLDEN RD
I40	I-2201FA	7	GUILFORD	3	3,030,441	I40 FROM E OF CHIMNEY ROCK RD TO E HOLDEN RD
I85	I-9302C	12	GASTON	3	19,148,920	I85 FROM E OF US 29-74 INTERCHANGE TO W OF SHANNON BRADLEY RD
NC24	X-0002DB	6	CUMBERLAND	2	2,454,000	NC 24 EXT FROM E RIVER RD TO .34KM W OF US 301
NC24/27	R-0967CA	10	STANLY	2	7,632,000	NC24-27 FROM W OF BROWNS HILL RD AT THE WEST CITY LIMITS OF LOCUST TO E OF ISLAND CREEK
NC87	R-2561WM	6	COLUMBUS, BLADEN	2	3,300,000	NC 87 FROM US 74-76 TO ELIZABETHTOWN BYPASS
NC87	R-2562AA	6	CUMBERLAND	3	22,716,866	NC 87 FROM MULTI LANE SECTION E OF I95 TO S OF SCHOOL RD/BUTLER NURSERY RD
NC87	R-2562AB	6	CUMBERLAND, BLADEN	3	1,400	NC 87 FROM S OF SCHOOL RD/BUTLER NURSERY RD TO N OF NC 20
US158	R-2414A	1	CAMDEN	2	2,700,000	US 158-NC 34 FROM E OF PASQUOTANK RIVER TO S OF SR 1257 (HAVENWOOD DR)
US17	R-2301WM	2	GRAVEN	2	4,800,459	GRAVEN CO 404 SITE FOR NEW BERN BYPASS
US17	U-2107D	3	ONSLOW	2	15,030,000	US 17 FROM NC 24 TO US 17 N OF JACKSONVILLE
US220	R-2231CA	8	RICHMOND, MONTGOMERY	2	2,775,000	US 220 BYPASS FROM N OF NC 73 TO S OF SR 1524
US220	R-2231CB	8	MONTGOMERY	2	814,000	US 220 BYPASS FROM S OF SR 1524 TO EXISTING 4 LANES N OF US 220.ALT
US221	R-2596A	13	MCDOWELL	3	17,818,922	US 221 FROM NC 226 TO N OF SR 1569 (NORTH COVE SCHOOL RD) NEAR NORTH COVE
US221	R-2596WM	13	MCDOWELL	1	510,250	US 221
US264	R-0525D	2	GREENE	2	50,000	INTERSECTION OF US 264 AND DILDY RD W OF FARMVILLE E OF NC 121
US264	R-0525D	2	GREENE	3	4,125,986	INTERSECTION OF US 264 AND DILDY RD W OF FARMVILLE E OF NC 121
US264	R-0525F	4	WILSON	1	400,000	INTERSECTION OF US 264 AND DILDY RD W OF FARMVILLE E OF NC 121
US264	R-0525F	4	WILSON	2	(506,306)	INTERSECTION OF US 264 AND DILDY RD W OF FARMVILLE E OF NC 121
US264	R-0525F	4	WILSON	3	4,633,190	INTERSECTION OF US 264 AND DILDY RD W OF FARMVILLE E OF NC 121
US264	R-0525G	4	WILSON	1	400,000	INTERSECTION OF US 264 AND NC 222
US264	R-0525G	4	WILSON	2	15,000	INTERSECTION OF US 264 AND NC 222
US264	R-0525G	4	WILSON	3	3,576,951	INTERSECTION OF US 264 AND NC 222
US421TN	R-2239AC	11	WILKES	2	350,000	INTERSECTIONS OF US 421 AND SR 2537 (BOTTOMLEY RD) & US 421 AND SR 2440
US421TN	R-2240A	11	WILKES	2	4,765,000	US 421 FROM EXISTING 4 LANE SECTION E OF MAPLE SPRINGS TO SR 1146 (HOLINESS CHURCH RD) W OF WILKESBORO
US421TN	R-2240A	11	WILKES	3	28,409,476	US 421 FROM EXISTING 4 LANE SECTION E OF MAPLE SPRINGS TO SR 1146 (HOLINESS CHURCH RD) W OF WILKESBORO
US421TN	R-2240B	11	WILKES	2	1,300,000	US 421 FROM E OF SR 1374 (RIDGECREST DEV) NEAR WILKESBORO TO E OF NC 268
US421TN	R-2240B	11	WILKES	3	2,100,000	US 421 FROM E OF SR 1374 (RIDGECREST DEV) NEAR WILKESBORO TO E OF NC 268
US64	R-2548B	1	WASHINGTON	2	1,500,000	US 64 FROM W OF SR 1126 (NEWLAND RD) SE OF ROPER TO 675 MILES NE OF TYSON FARM RD
US64	R-2548C	1	WASHINGTON	2	3,000,000	US 64 FROM 675 M NE OF TYSON FARM RD TO 1.07 KM E OF SR 1304 (MILE WRETCH RD) W OF CRESWELL
US64	R-2548D	1	WASHINGTON	2	4,500,000	US 64 FROM 1.07KM E OF SR 1304 (MILE WRETCH RD) W OF CRESWELL IN WASHINGTON COUNTY TO W OF SR 1116 AT WOODLEY
US64	R-2548F	1	WASHINGTON	2	3,000,000	US 64 FROM E SR 1110 TO E OF COLUMBIA
US64	R-2551B	1	DARE	3	12,065,151	US 64-264 FROM US 264 TO SR 1105 (SHIPYARD RD) IN MANN'S HARBOR & THE INTERSECTION OF NC 345 E OF MANTOE
US64LEX	R-2217A	8	RANDOLPH	3	11,908,897	US 64 FROM NC 22 IN RAMSEUR TO SR 2469 (BROWN'S XROADS)/SR 2628 (PARKS XROADS)
US64LEX	R-2217B	8	CHATHAM RANDOLPH	3	11,573,455	US 64 FROM .22 KM E OF SR2469 (BROWN'S XROADS)/SR2628 (PARKS XROADS) TO .2 KM W OF GLENN AVE IN SILER CITY
US70	R-2552AA	5	WAKE	2	5,225,000	US70/140 (CLAYTON BYPASS) INTERCHANGE TO E OF SR 1525 (FAYETTEVILLE ST)
US70	R-2552B	4	JOHNSTON	2	4,900,000	US 70 CLAYTON BYPASS FROM E OF NC 42 TO E OF RANCH RD
US70	R-2552C	4	JOHNSTON	2	770,000	US 70 CLAYTON BYPASS FROM E OF RANCH RD TO US 70
US74	R-2559B	10	UNION	2	3,755,000	US 74 MONROE BYPASS FROM W OF US 601 TO W OF SR 1758 (WHITMORE RD)

BOND AUTHORIZATIONS THROUGH MARCH 2001

ROUTE	PROJECT#	DIVISION	COUNTY	TYPE	AMOUNT	DESCRIPTION
US74	R-2559C	10	UNION	2	1,220,000	US 74 MONROE BYPASS FROM W OF RICHARDSON CK TO EXISTING US 74
US74(19)	A-0009DD	14	GRAHAM	3	15,369,082	NC 28 (FUTURE US 74) FROM EDWARDS GAP TO E OF SR 1231 (TOBACCO BRANCH)
					<u>\$283,513,575</u>	
LOOPS:						
ASHEVILLE	I-2513	13	BUNCOMBE	2	\$110,000	I 240 AND NEW ROUTE FROM I 26 TO US 19-23-70
ASHEVILLE	I-2513A	13	BUNCOMBE	2	155,000	I 26 FROM N OF I 26/I 40 SPLIT TO N OF HAYWOOD RD
CHARLOTTE	R-2123AC/AD	10	MECKLENBURG	3	23,555,787	I 485 FROM S OF NC 218 TO N OF NC 51
CHARLOTTE	R-2248AC	10	MECKLENBURG	3	81,900,000	I 485 FROM BROWN GRIER RD EXT TO GARRISON RD
CHARLOTTE	R-2248BB	10	MECKLENBURG	2	14,500,000	I 485 FROM N OF I 85 TO NC 27
CHARLOTTE	R-2248C	10	MECKLENBURG	2	11,590,000	I 485 FROM N OF NC 27 (MOUNT HOLLY RD) TO ME OF OAKDALE RD
CHARLOTTE	R-2248D	10	MECKLENBURG	2	11,900,000	I 485 FROM E OF OAKDALE RD TO E OF NC 115 (OLD STATESVILLE RD)
CHARLOTTE	R-2248E	10	MECKLENBURG	2	4,230,000	I 485 FROM E OF NC 115 TO I 85 N
GREENSBORO	I-2402C	7	GUILFORD	3	37,021,829	I 85 GREENSBORO BYPASS FROM S OF WILEY-LEWIS RD TO S OF MCCONNELL RD E OF GREENSBORO
GREENSBORO	U-2524AB	7	GUILFORD	2	12,523,282	WESTERN LOOP FROM N OF I 85 NEAR GROOMTOWN TO N OF HIGHPOINT RD
GREENSBORO	U-2524AD	7	GUILFORD	2	5,515,000	WESTERN LOOP FROM N OF WENDOVER AVE TO I 40
GREENSBORO	U-2524B	7	GUILFORD	2	31,200,000	WESTERN LOOP FROM I 40 TO N OF BRYAN BLVD
RALEIGH	R-2000AA	5	WAKE	2	9,625,000	I 540 FROM NC 55 W OF MORRISVILLE TO RTP E LIMITS
RALEIGH	R-2000AB	5	WAKE, DURHAM	2	9,580,000	I 540 FROM RTP E LIMITS TO .966 KM SW OF I 40
RALEIGH	R-2000EA	5	WAKE	2	6,116,789	I 540 FROM W OF FALLS OF THE NEUSE RD TO 245M E OF GRESHAM LAKE RD
RALEIGH	R-2000EA	5	WAKE	3	26,050,000	I 540 FROM W OF FALLS OF THE NEUSE RD TO 245M E OF GRESHAM LAKE RD
RALEIGH	R-2000EB	5	WAKE	2	23,270,000	I 540 FROM E OF GRESHAM LAKE RD TO E OF US 1 S OF PERRY CREEK RD
RALEIGH	R-2000F	5	WAKE	2	14,160,000	I 540 FROM E OF US 1 S OF PERRY CREEK RD TO S OF BUFFALO E RD
RALEIGH	R-2000G	5	WAKE	2	10,000,000	I 540 FROM S OF BUFFALO E RD TO US 64E NEAR KNIGHTDALE
WILMINGTON	R-2633CA	3	NEW HANOVER	2	8,750,000	US 17 FROM W OF US 421 N OF WILMINGTON TO W OF US 117/NC 33
WILMINGTON	R-2633CA	3	NEW HANOVER	3	94,499,455	US 17 FROM W OF US 421 N OF WILMINGTON TO W OF US 117/NC 33
WILMINGTON	R-2633CB	3	NEW HANOVER	2	4,820,000	US 17 FROM W OF US 117/NC 33 TO E OF NC 132
WILMINGTON	R-2633CC	3	NEW HANOVER	3	18,722,156	US 17 FROM E OF NC 132 TO E OF I 40 S OF CASTLE HAYNE
WINSTON-SALEM	R-2247BA	9	FORSYTH	2	1,260,000	WINSTON-SALEM NORTHERN BELTWAY INTERCHANGE WITH I 40
WINSTON-SALEM	R-2247CA	9	FORSYTH	3	581,520	WINSTON-SALEM NORTHERN BELTWAY INTERCHANGE WITH US 421 & INTERCHANGE WITH PEACE HAVEN RD
WINSTON-SALEM	R-2247D	9	FORSYTH	2	1,535,000	WINSTON-SALEM NORTHERN BELTWAY FROM N OF SR 1314 TO NC 67
WINSTON-SALEM	R-2247E	9	FORSYTH	2	1,500,000	WINSTON-SALEM NORTHERN BELTWAY FROM NC 67 TO US 52
					<u>\$464,770,818</u>	

* TYPE: 1 = P.E., 2 = ROW, 3 = CONSTRUCTION

SENATE PAGES:

Name:

Tuschia Hunter

Town:

Chapel Hill

Sponsor:

Sen. Howard Lee

Name:

Town:

Sponsor:

HOUSE PAGES:

Name:

Emily Ross

Town:

Beaufort County

Sponsor:

Rep Edwards

Name:

Town:

Sponsor:

**JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION AND
JOINT APPROPRIATIONS SUBCOMMITTEE ON INFORMATION
TECHNOLOGY**

**JOINT MEETING AGENDA
April 10, 2001**

Review of the Department of Transportation Accounting System

Wayne Stallings
Chief Fiscal Officer

Wayle Christian Clerked this session

NCDOT Business Systems Improvement Project History and Current Status

<u>Steps</u>	<u>Description of Activities</u>	<u>Dates</u>	<u>Attachments</u>
1. Need Identified	In the 1970's DOT developed, in house, a unique set of financial information systems to meet its financial accounting and reporting needs. Over time these systems became technically obsolete and functionally deficient.	1970-1980	Pages 1-3
2. Action Requested	The 1995 General Assembly requested development of a complete plan for replacing all DOT financial information systems.	1995	Page 4
3. Recommendation Made	The Office of State Controller and Department of Transportation recommended acquisition and installation of modern financial information software package to replace DOT "legacy" systems.	1995-1996	Pages 5-7
4. Preliminary Work	<p>DOT, with oversight from the OSC and the Information Resource Management Commission, conducted a highly structured process to acquire a modern financial information software package. That process included the following activities:</p> <ul style="list-style-type: none"> Business process reengineering of certain activities Preliminary review of available financial information packages Specification of business information requirements in great detail Specification of technical architecture requirements for system Specification of implementation services required Short term improvements to current systems where appropriate Funding method identified 	1996-1998	Pages 8-11
5. Selection and Contracting	<p>Specifications of requirements, implementation services and technical architecture combined into an RFP issued August, 1998. Proposals were received on November 24, 1998 from five contractors. Evaluations were completed in August of 1999. Contract negotiations with two contractors were completed in March of 2000. SAP America was selected to implement its R/3 software package. The cost to DOT to complete steps 2-5 was approximately \$12 million.</p>	1998-2000	Pages 12,13

Steps Description of Activities Dates Attachments

6. Implementation Initiated

The contract between DOT and SAP was signed in May of 2000. The SAP project team began arriving in June of 2000.

The contracted price for SAP services was \$23.7 million.

The SAP proposal anticipated an 18 month implementation cycle.

DOT, in consultation with OSC, established July 1, 2002 as the date for

the new system to "go live". This schedule contemplated a 25 month implementation cycle, seven months longer than the SAP proposal.

The SAP/DOT contract will be amended to pay for the seven month extension of time in the amount of \$7.2 million bringing the total SAP contract \$30.9.

The DOT completed formation of its team in September of 2000.

The DOT team and related costs will be \$18.7 million.

Total implementation cost estimate (SAP contract plus DOT cost): \$49.6 million.

7. Current Status

Implementation is on schedule and within budget. Actual cost of implementation incurred to date is \$12.5 million. 2000-2001 Pages 17,18

The project is going well. The project team is positive and enthusiastic. The management of the department is very supportive. At present, the project offers very high prospects for success.

8. Outstanding Issues

Expanding change management services beyond training

Operating the new system (hardware, data base, operating environment).

Providing for historical data storage and retrieval beyond SAP contract requirements

Replacing DOT human resources and payroll systems

Integration to eProcurement

Fiscal Systems Architecture

The following list illustrates the different types of accounting and enterprise management activities that take place within DOT. The discussion focuses only on the applications within the Fiscal system. The categories below equate (more or less) to physical software systems, not functional areas, in operation at DOT to support these activities. While not every activity listed below is included in DOT's Fiscal system, they all interact significantly. Therefore, depending on the scope of the effort undertaken at DOT, the Fiscal system upgrades would likely involve changes in the following areas:

- Accounts Payable / Contracts
 - Accounts Receivable
 - Equipment Management
 - Federal Aid Billing
 - Fixed Assets
 - Fuel Issues
 - Fuel Requisitioning
 - Grant Accounting
-
- Imprest Cash
 - Inventory
 - Logos
 - Outdoor Advertising
 - Payroll
 - Permits
 - Purchasing
 - Standard Cost
 - Warrants
 - Work Order

Most Fiscal system applications are mainframe based. However, there is one LAN within the Fiscal Management section. The Fiscal section also uses standalone PCs for many activities, including preparing budgets and financial statements. Fiscal and other DOT personnel selectively download and upload data from PCs to the mainframe applications.

Virtually all components of the DOT Fiscal system were developed in-house at DOT over the last 20-25 years. This pioneering accounting system began as a punch card-based, batch oriented system at a time when the tools and techniques available were very limited. Transactions were entered onto punch cards and programs read the cards to update the various system files. As more advanced teleprocessing capabilities became available, these modules were enhanced to provide on-line (terminal based) data entry and the punch cards were retired. The basic operations of the programs however, remain largely unchanged.

While software development tools and techniques have advanced dramatically in recent years, DOT's Fiscal system has not been re-designed to take advantage of these advances. As an example, the Assembler language that DOT used to write these systems is now rarely used to write these types of systems. More modern languages (COBOL, PL/1, C, FOCUS, CSP, etc.) and structured design techniques can make designing, writing, documenting, and maintaining systems dramatically easier. In addition, modern tools support ad hoc and user oriented reporting which reduces the reliance of the business community on the MIS support staff.

DOT Fiscal system data entry and inquiry functions are performed mostly using a collection of terminals connected to a mainframe computer through a network of cables and leased telephone lines. The terminals being utilized at most DOT locations around the State are designed strictly to perform mainframe data entry and inquiry. Likewise, the network of cables, phone lines, and other hardware (called an SNA network) that connects the terminals to the mainframe is designed primarily for this purpose.



Upgrading the In-House Mainframe Systems

Because of their current design, and because of the technical architecture in which they are implemented, it would be very difficult to make substantial changes or improvements to the present DOT Fiscal applications.

Following are some of the reasons for this difficulty:

- No system support documentation is currently available making enhancements difficult to design and implement. A future solution should address a full documentation plan within the organization.
- Staff resources who are experts in the design and maintenance of the system have retired or will retire shortly. Also, no other organization uses these particular systems and as a result, you cannot find personnel in the labor market with any knowledge of these systems. All knowledge necessary to maintain or support these systems must be cultivated internally by DOT.
- Information Technology personnel entering the marketplace generally do not possess knowledge of Assembler.
- The DOT Fiscal system is not flexible or easily enhanced. When the system was designed, there was limited computer power and disk storage available, so systems were designed strictly to make the most efficient use of available computer resources. Such a design, while saving computer resources, limits growth and flexibility.
- The system has many common policies programmed (hard coded) directly into the applications. For example, whenever a new buyer is hired, the buyer's identifier must be added to a host of purchasing programs. All of the affected programs must be re-assembled or re-compiled and placed back into production. Great care must be taken to ensure that all affected programs have been changed and that the changes will not adversely affect the operation of the system. Simply authorizing a new buyer to use the purchasing system may require many staff-hours of programming and testing. Similarly, new function codes, department codes, objective codes, etc., must be added to various programs requiring all to be assembled and tested. A more robust design would have such policies stored in files that are easily updated by the user community as the business needs dictated. All necessary programs would access these files to retrieve needed policy information. This eliminates the need to modify, re-assemble, and test dozens of programs whenever common business requirements change.



- The on-line data entry and inquiry programs were written using an early version of a teleprocessing system called the Customer Information Control System (CICS). In this early version, programs were required to communicate with CICS on a very rudimentary level through a language called the Macro Level Interface. As CICS has advanced, the Macro Level Interface has been supplanted by a new language called the Command Level Interface. In order to take advantage of the new language, DOT Fiscal systems would require extensive re-design and re-coding. As a result, DOT continues to operate their Fiscal systems using an outdated version of CICS. Newer versions of CICS will no longer operate with the Macro Level Interface and IBM (the vendor that supplies CICS) will discontinue support of these older versions very soon. An effort is underway at DOT to convert the applications to CICS the Command Level Interface.
- As on-line computing advanced and became more common, DOT developed inquiry programs to retrieve information from the Fiscal system through the terminals. However, the DOT master files are only updated periodically so the inquiry programs must combine information from the master files with information from the transaction files to present what appears to be up-to-date information. This approach provides current information while preserving the basic operation of the batch oriented systems. This approach also introduces complexity into both the inquiry programs and the batch update process. It also introduces some redundancy as data from the master files and the data entry files are duplicated for use by the inquiry programs. A system specifically designed to provide on-line data entry, inquiry, and updates may actually be simpler and easier to maintain and enhance.
- The components of the DOT Fiscal systems have been developed over the course of years and were not designed to be fully integrated. As a result, some redundancy is incorporated into them. As an example, the purchasing system has a Vendor file and the warrant system has another vendor file. In addition to the duplicate data that results from this arrangement, it makes it more difficult to keep Vendor information synchronized and up-to-date. A more robust, integrated design might share a common vendor file between systems that require such information.
- In addition to the basic data entry, inquiry, and accounting functions, these systems provide information to users in the form of printed reports. Distributing printed reports throughout the State would be an unwieldy process at best, so DOT has again developed their own solution to the problem. DOT has developed a software system that allows users to receive and print reports at their locations. While this system is functional, it too would be difficult to enhance as it utilizes the same out-dated technology described earlier.

Requested by: Representatives Barbee, Bowie, Senator Hoyle
FINANCIAL ACCOUNTING AND REPORTING FUNDS REVERTED

Sec. 18.24. Of the funds appropriated in fiscal year 1992-93 for the purpose of beginning the implementation of a new financial accounting and reporting system for the Department of Transportation, the sum of one million three hundred thousand dollars (\$1,300,000) shall revert to the Highway Fund on June 30, 1995.

The remaining unencumbered and unspent funds shall be used by the Department of Transportation in a joint effort with the Office of the State Controller

to develop a comprehensive plan for the new financial accounting and reporting system for presentation to the 1996 Session of the General Assembly.

The comprehensive plan shall provide for the complete financial accounting and reporting requirements of the Department including those for work order funding and costing, billing for Federal Highway Aid and other sums owed to the Department, payment to highway and engineering contractors, fleet management and inventory management as well as core accounting functions of purchasing, accounts payable, accounts receivable, budget preparation, budget control, fixed assets, and grant accounting.

For all the above functions, the comprehensive plan shall identify:

- (1) The processing concepts and methods that will be employed;
- (2) The computer hardware and software and associated manual processes required to perform the required functions efficiently and effectively;
- (3) The implementation cost for the computer hardware and software and related costs such as training;
- (4) The time required for implementation;
- (5) The projected operating costs for the new system; and
- (6) The projected operating savings, if any.

The planned system shall conform to the applicable standards and requirements of the State Accounting System.

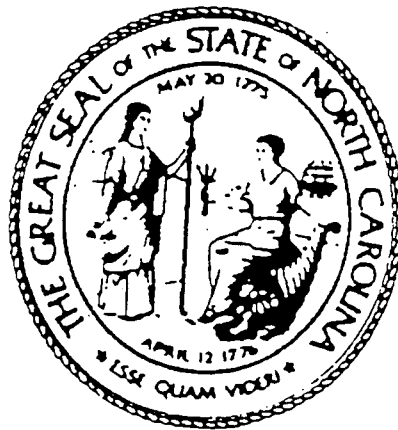
The Department shall make quarterly reports on the development of the plan to the Joint Legislative Transportation Oversight Committee.

State of North Carolina

DOT Fiscal System Project

Conceptual Approach

October 31, 1996



Garland B. Garrett Jr.
Secretary
Department of Transportation

Edward Renfrow
State Controller
Office of the State Controller



I. Executive Summary

Project Conclusions

As directed by the legislature, the Department of Transportation (DOT) and the Office of the State Controller (OSC) conducted a joint project in the Spring of 1996. The aim of this project was to cooperatively develop an approach and plan to address the need to replace the DOT Fiscal system and to determine how both DOT and their fiscal and business systems fit within the North Carolina Accounting System (NCAS). The scope of the DOT Fiscal system as defined for this project included the core accounting functions (Accounts Payable, Purchasing, Inventory, Accounts Receivable, etc.), Encumbrance Funding, Work Order/Job Order, Grant Accounting, Federal Aid Billing, and Equipment. The conclusions of this project are presented below.

DOT meets the inclusion criteria for NCAS. The accounting and financial policies, procedures, and statewide information requirements of NCAS can be effectively applied at DOT.

The fit analysis determined, however, that DOT has unique business requirements, specifically within the Division of Highways (DOH). The unique requirements center around the need for work order functionality integrated within the fiscal processes. These requirements are not found in other General Fund/General Government agencies. They are also not found in the Administrative areas of DOT.

These unique DOT requirements currently are not met by the NCAS DBS MARS/G (MARS/G) software. While it is technically possible to modify the MARS/G software to support most of the DOT requirements, this modification approach is not considered to be in the best interest of the state.

Based on the NCAS - DOT fit analysis, DOT should perform a software evaluation and selection process to acquire a separate suite of application software to support the unique DOT business requirements, including work order functionality. This additional component to the NCAS suite will reside underneath the NCAS umbrella. While there will be different sets of software within NCAS, each meeting specific business requirements, the software will be coupled to allow the statewide reporting of key financial and materials management information.

6



While the DOT requirements will make enhancements to any packaged accounting software necessary, there have been significant advances in packaged application software since the DBS MARS/G software was acquired by the State. These advances will be critical to meeting DOT's special needs in an effective manner. Current application software packages available on the market incorporate a client/server architecture, relational databases, and a graphical user interface (GUI) which can provide the following benefits:

- Improved capability to capture information in a more flexible manner
- The ability to integrate the data flow among applications
- Flexible tools to redefine screens easily and customize data fields
- Work flow management techniques.

This software will integrate core accounting functions and required DOT-specific applications to address DOT's data, functional, and business requirements. This software will also be integrated with the uniform accounting policies, procedures, and information requirements that are the cornerstone of NCAS.

The choice of the software upon which to make these modifications is a strategic decision for DOT, and might provide a strategic direction for OSC and the State. The primary focus of this software will be to meet the business needs of DOT. The secondary focus will be to provide NCAS with a flexible technical platform that can be adapted to support the needs of other agencies as dictated by their business requirements.

In conjunction with the selection of new application software, DOT will perform a process evaluation and improvement effort. This effort will identify improvement opportunities with existing DOT business processes. While some of these improvements will be software independent, many improvements are expected to be made possible by the increased functionality and integration that will be available in the new system. The primary goal of the process improvement effort will be to improve process efficiencies so that DOT can better focus on its core business responsibilities. Process changes and opportunities identified by this effort will help define the system requirements used within the software selection process.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JAMES B. HUNT JR.
GOVERNOR

P.O. BOX 25201, RALEIGH, N.C. 27611-5201

E. NORRIS TOLSON
SECRETARY

June 16, 1998

Honorable Luther H. Jordan, Jr. Chair
Honorable Joanne W. Bowie, Co-Chair
Honorable Jerry C. Dockham, Co-Chair
Honorable William E. McMahan, Co-Chair
Joint Appropriations Subcommittee on Transportation
North Carolina General Assembly
Raleigh, North Carolina 27601

Dear Senator Jordan, Representative Bowie, Representative Dockham
and Representative McMahan:

Section 18.23 of House Bill 229 enacted in the 1995 Session of the General Assembly required the Department of Transportation and the Office of State Controller to jointly prepare a complete plan for replacing the financial accounting and reporting systems of the Department of Transportation. The bill further provided for a report to be made back to the General Assembly describing that plan. An interim report was made in the 1996 "Short" Session. Enclosed is the final report describing what needs to be done to replace our existing DOT financial systems.

The report describes how important it is for the Department to proceed immediately to replace our existing systems because they are technically deficient, difficult and expensive to maintain, and in danger of failure. In addition, they do not support efficient business processing nor provide the reporting flexibility needed to support managerial and strategic decision making in the current business environment. We simply must replace these old systems in the near future to survive financially.

The report recommends that the Department acquire commercially available computer software and hardware to form the basic building block for the new financial information system. It further recommends that we contract with a private firm to develop those additions to the basic software that would be needed to meet the unique needs of the Department and to manage implementation of the system. The Department, with oversight from the Office of State Controller, the Information Resources Management Commission, and the State Division of Purchase and Contract, has



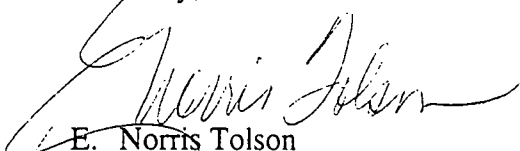
developed a detailed request for proposal to procure the software and services needed to develop and implement this new system. We intend to issue this request for proposal in the month of July.

We anticipate this new financial information system, including software, hardware and implementation services to cost in excess of \$30 million and require approximately four years to complete. Of course, exact costs and time frames cannot be determined until a base system and implementation contractor have been selected. We intend to allocate the cost of this new system to our highway construction and maintenance projects and activities.

We have several reasons for choosing to allocate the cost of the system rather than providing for it from a single budgeted source. First, the extensive, highly specialized system we are acquiring would not be needed except for the complexity of highway budgeting and financing. Without this complexity the Department would have been able to use the accounting software currently in use by other state agencies. Second, this allocation method provides the only way we are able to obtain financial participation from the Federal Highway Administration in the system. Third, it assures an equitable participation of both construction and maintenance funds in the cost of the system.

All of us who rely on financial information about transportation funding, commitments and expenditures to make key investment decisions for our citizens will benefit from this new system. I hope I can count on your support as we commit ourselves to a successful implementation of this very important piece of management infrastructure for our State.

Sincerely,



E. Norris Tolson

Enclosure



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
Region Four
310 New Bern Avenue, Suite 410
Raleigh, North Carolina 27601
April 2, 1998

IN REPLY REFER TO
HAM-NC

Mr. Norris E. Tolson
Secretary, North Carolina
Department of Transportation
Raleigh, North Carolina

Dear Secretary:

Subject: BSIP Project Cost

Per a request from Mr. Charles Creech of your office, we offer the following regarding federal participation in the Business System Improvement Project (BSIP) costs soon to be incurred by your agency.

In accordance with a March 1, 1995 memorandum from our Headquarters office on this subject, there are provisions for federal reimbursement of some of the components of the new accounting and business management systems to be acquired through your BSIP Project procurement process. The memorandum states that for such costs to be eligible, they must be "project related and project benefitting."

Specifically addressed in this document are "costs incurred for the actual processing of Federal-aid bills, developing and maintaining Federal billing systems, and purchase or rental of equipment used extensively for Federal billing..." Specifically included in this definition would be the FHWA Federal Funds Accounting and Billing system component being procured, as well as Year 2000 remediation for the current FHWA Federal Funds Accounting and Billing system. Ideally, these costs should be distributed to all Federal-aid work orders on a monthly basis via a modified version of your 3000 series cost distribution system. Should this method be deemed impractical, then a single Federal-aid project may be set up with multiple appropriations and charged on a pro rata basis to all such funds.

10

Also eligible for Federal participation would be the Project Accounting system cost for the BSIP project. As this system will benefit all projects, State and Federal, all charges should be spread equitably to the appropriate 3000 series cost centers monthly, in accordance with the State's standard cost procedures.

Finally, all other BSIP costs, other than those specifically mentioned above, are currently ineligible for Federal-aid funding. The transportation bills recently passed by the House and Senate, however, reportedly contain provisions for administrative and overhead cost reimbursement using Federal funds. Should these provisions become law, the NCDOT may wish to consider the use of an approved cost allocation plan for recovery of costs related to the remaining components of BSIP Project costs.

Should you have any additional questions on this subject, please contact Mr. Don Voelker of our office at 856-4346 ext. 121. We trust this has been of assistance to you.

Sincerely yours,

For Nicholas L. Graf, P.E.
Division Administrator

Dave Bruce, April 2, 1998
File: 111.6

11

Business System Improvement Project Cost Estimate - SAP VS EDS / Oracle

	SAP	EDS / Oracle
BSIP Implementation - Cost Proposal	\$23,747,686	\$51,200,000
Modifications & Extensions	5%	32%
Accepted Terms and Conditions	Yes	No

Summary of BSIP Costs for Project Analysis and Procurement

	Actual 1995-96	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Total
Expenses:						
State Staff (Estimated)						650,000
Consultants	92,750	1,835,640	3,221,271	2,092,647	3,152,681	10,394,989
Hardware		198,405	50,422	48,149	137,224	434,200
Software		33,749	6,080	444	32,558	72,831
Oth. Agcy.		150,010	-		-	150,010
Other		74,780	53,655	68,293	53,170	249,898
Total	92,750	2,292,584	3,331,428	2,209,533	3,375,633	11,951,928
Funding Sources:						
State Staff-Highway Fund						650,000
Highway Fund	92,750	907,250				1,000,000
Trust Fund		1,385,334	3,331,428	855,316		5,572,078
Work Orders				1,354,217	3,375,633	4,729,850
Total	92,750	2,292,584	3,331,428	2,209,533	3,375,633	11,951,928



BSIP R/3 Project Change Order Worksheet
 Summary of all costs



Contractual Time Schedules

Project Start Date: Sign Date + 20 Days

Phase	Start	End	Duration
1	Jun-00	Jun-00	1
2	Jul-00	Dec-00	6
3	Jan-01	Aug-01	8
4	Sep-01	Oct-01	2
5	Nov-01	Nov-01	1
Support	Dec-01	Dec-01	1
Total			19

New Time Schedules

New Project Start Date

Phase	Start	End	Duration
1	Jul-00	Sep-00	3
2	Oct-00	May-01	8
3	May-01	Feb-02	10
4	Mar-02	May-02	3
5	Jun-02	Jun-02	1
Support	Jul-02	Jul-02	1
Total			26

Cost for Consulting Services
Cost for 5 Star Agency Personnel
Cost for Koger Facilities
Credits
Total Value of Change Order

6,793,780.00
143,085.60
271,620.87
16,625.00
7,191,861.47

BSIP R/3 Implementation Organization

NCDOT Project Sponsor
Wayne Stallings

SAP Project Manager
Rahul Parikh

DOT Project Director
J. Cartwright

OSC Project Rep
Zeke Partin

Administrative
- Bill Bentley
- Beth Costolo
- Ulka Patel
- Vickie Spangler

Functional
Team Manager
Mark Tyler

Finance
(GL, BU, AR, AP, FA)
- Tommy Stanley
- Anthony Blalock
- Mike Mays
- Tom Dempsey
- Warren Hall
- Joachim Weber
- Brenda Dew
- Pat O'Leary
- Terrie Glover
- DOT (TBD)

Controlling
- Curtis Dale
- Bill Cummings

Materials Mgt.
(PU, INV, Cont. Mgt.)
- Greg Helm
- Gene Vance
- Barbara Fish
- Gerry Koehler
- Joyce Capati
- Victor Teixeira

Plant Maintenance (EQ)
- Russ Jefferies
- Jim Putnam
- Joe Clocker
- Andy Brannan
- Mike Robinette
- Eric Aunan

Technical
Team Manager
Kelly Wilder

Funds Mgt. (FAA, GA)
- Cebe Keever
- Jim Ireland
- Ron Gardner
- Carol Simon
- Manoj Pandya
- John Tisi

Project System (PA,WO)
- Bryce Clodfelter
- Charles Creech
- Larry Norris
- Jerry Bradley
- Terry Strickland
- Arnold Turner
- Janice Begin
- SAP (CATS/HR)

Management Reporting/
Cross Functional
- Ted Kallam (PS)
- Frankford Johnson (FI)
- Wendy O'Neal (MM)
- Doug King (MM)
- Jason Julian (CM)
- Max Adams (MM)
- Buddy Murr (PS)
- Don Childrey (CO)

Contract Management
- Gary Blevins
- Duncan Welsh
- Della Myers

Infrastructure
- Steve Lesley
- Mark Bukolt
- Maurice Raybon
- Jeff Berry
- Philip Massey
- DOT (TBD)
- Network
- As needed
- Security
- Brenda Stolzenberg
- DOT (TBD)
- SAP
- DBA
- DOT (TBD)
- DOT (TBD)
- DOT (TBD)
- As needed
- Imaging
- Archiving
- DOT (TBD)

Development
Mods & Enhancements
- Raymond Bestler
- George Centino
- Alexander Kovalyov
DOT Development
- Leon Tiley
- Tess King
- Paige Diaz
- Pam Holt
- Mary Buol
- Henry Goodson
- Helen Lee
- Li Chang
- Tom Moore
- Chuck Barbour
- Scott Lassiter
- Jed Murphy

Conversion & Interfaces
- Chris Curtis
- Subhakar Reddy
- Mayhew Wallace
- Ron King
- Joe Voss
- Walter Langley
- William Bowling
- Buck Adams
- Charlie Gibbs
- Frank Riggs
- Richard Billings
- Dorsey Jackson
- Rob Vatz
- David Tyn dall

Implementation Support
Team Manager
DOT (TBD)

Training
- Coordinator (TBD)
- Lorey Weagel
- Patrice Smith
- Trainers 1 - 20 (TBD)

Procedures/Manuals
- Coordinator (TBD)
- Tech. Writer #1 (TBD)
- Tech. Writer #2 (TBD)

Help Desk
- Coordinator (TBD)
- Help Desk #1 (TBD)
- Help Desk #2 (TBD)
- Help Desk #3 (TBD)
- Help Desk #4 (TBD)
- Help Desk #5 (TBD)

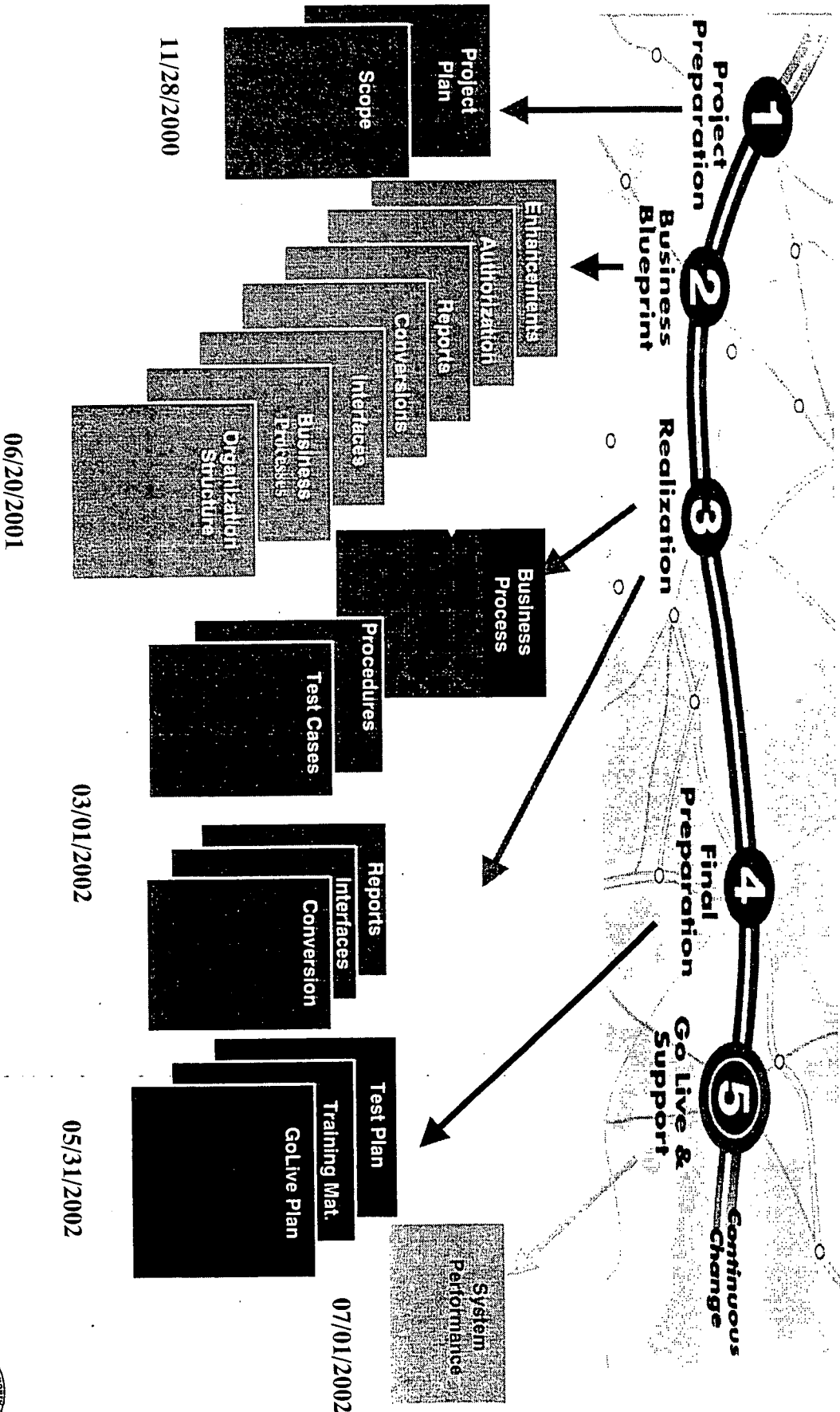
Business System Improvement Project

Cost Estimate - SAP VS EDS / Oracle

	SAP	EDS / Oracle
BSIP Investigation, RFP, Contract Negotiations From 01/01/1996 - 06/30/2000	\$12,000,000	\$12,000,000
<hr/>		
BSIP Implementation		
Initial Contract	\$23,747,686	\$51,200,000
Contract Extension	\$7,191,861	N/A
	-----	-----
Sub-Total	\$30,939,547	\$51,200,000
NCDOT Resources		
- NCDOT Staff		
Business (26) (27)*	\$4,221,362	\$4,383,722
Technical (25) (33)*	\$4,339,605	\$5,728,279
- Contracted Resources		
Business (9) (9)	\$3,090,200	\$3,090,200
Technical (15) (15)	\$4,518,152	\$4,518,152
Miscellaneous		
- Current Budget	\$2,500,000	\$2,500,000
	-----	-----
Sub-Total	\$18,669,319	\$20,220,353
Total Implementation	\$49,608,866	\$71,420,353

ASAP Roadmap

SAP



Business System Improvement Project Budget VS Actual

	Budget	Actual
BSIP Investigation, RFP, Contract Negotiations From 1996 - 1999 (Actual)		\$12,000,000
<hr style="border: 2px solid black;"/>		
BSIP / R/3 Implementation		
Initial Contract	\$23,747,686	\$7,694,250
Contract Extension	\$7,191,861	\$0
	-----	-----
Sub-Total	\$30,939,547	\$7,694,250
NCDOT Resources		
- NCDOT Staff		
Functional (26)	\$4,221,362	\$924,102
Technical (25)	\$4,339,605	\$849,060
- Contracted Resources		
Functional (9)	\$3,090,200	\$575,624
Technical (15)	\$4,518,152	\$1,205,829
Miscellaneous		
- Current Budget	\$2,500,000	\$1,257,712
	-----	-----
Sub-Total	\$18,669,319	\$4,812,326
Total Implementation	\$49,608,866	\$12,506,577

**JOINT APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION**

2001-2002 SESSION

CO-CHAIRS

**REPRESENTATIVE NELSON COLE
REPRESENTATIVE JIM CRAWFORD
SENATOR WIB GULLEY**

VICE-CHAIR

**REPRESENTATIVE JOANNE BOWIE
SENATOR LARRY SHAW**

STAFF

**WENDY GRAF
KEN LEVENBOOK
GILES PERRY
EVAN RODEWALD
BOB WEISS**

COMMITTEE ASSISTANTS

**CAROL RESAR
SUZANNE SMITH
LINDA WINSTEAD**

HOUSE AND SENATE APPROPRIATIONS
SUBCOMMITTEE MEETING INDEX

The following meetings were held jointly:

February 27, 2001
February 28, 2001
March 1, 2001
March 6, 2001
March 7, 2001
March 15, 2001
March 21, 2001
March 22, 2001
March 27, 2001
March 28, 2001
March 29, 2001
April 3, 2001
April 4, 2001
April 5, 2001
April 10, 2001
April 11, 2001
April 12, 2001
April 16, 2001
April 17, 2001
April 18, 2001
April 19, 2001
May 1, 2001
May 2, 2001

The following meetings were held with House members only:

June 6, 2001
June 7, 2001
June 12, 2001
June 13, 2001
June 14, 2001 House Bill 43, HB 1229, HB 1245, HB 1273 and HB 1393 were discussed
June 22, 2001
August 28, 2001 House Bill 644 was discussed

The following meeting was held with Senate members only:

May 24, 2001

SENATE APPROPRIATIONS SUBCOMMITTEE
ON TRANSPORTATION
MEMBERSHIP

Senator Wib Gulley, Chair
Room 408 LOB
5-3036

Senator Larry Shaw, Vice-Chair
Room 621 LOB
3-9349

Senator Bob Carpenter, Ranking Minority
Room 517 LOB
3-5875

Senator Phil Berger
Room 1414 LB
3-7659

Senator David Hoyle
Room 300-A LOB
3-5734

Senator Dan Robinson
Room 2113 LB
3-5880

Senator Bob Rucho
Room 1113 LB
3-5650

Fiscal Staff
Evan Rodewald
3-4910

Bob Weiss
3-4910

Research Staff
Giles Perry
3-2578

Bill Drafting Staff
Ken Levenbook
3-6660

Committee Clerk
Carol Resar
5-3036

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
2001 - 2002 SESSION**

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>
COLE, Nelson, Co-Chair	Suzanne Smith	733-5779	1218
CRAWFORD, Jim, Co-Chair	Linda Winstead	733-5824	1301
BOWIE, Joanne-Vice-Chair	Sharon Gaudette	733-5877	538
BARBEE, Bobby	Rosa Murray	733-5908	1025
BLUE, Dan	Lin Threatt	715-2528	1227
COATES, Lorene	Melissa Lennon	733-5784	633
DAVIS, Don	Ellen Pickett	715-6707	504
DOCKHAM, Jerry	Susanne Streb	733-5822	1106
GULLEY, Jim	Lucille Carter	733-5860	1307
HIATT, Bill	Edna Pearce	733-5862	1008
McALLISTER, Mary	Marilyn Suitt	733-5959	638
SAUNDERS, Drew	Ruth Fish	733-5606	2217
SUTTON, Ronnie	Juanita Coley	715-0875	1321
STAFF			
Wendy Graf		733-2578	545
Giles Perry		733-2578	545
Evan Rodewald		733-4910	619
Bob Weiss		733-4910	619

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 11, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

DMV Budget Presentation

Janice Faulkner
Commissioner

Colonel David Richards
Enforcement Division

Carol Howard
Vehicle Registration

Wayne Hurder
Driver License

Bob Sandford
School Bus/Traffic Safety Education

Rosa Gill
Traffic Records

Joint Appropriations Subcommittee on Transportation
Wednesday, April 11, 2001
9:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:00 am on Wednesday, April 11, 2001 in Room 1228 of the Legislative Building. Five Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Coates, Davis, Gulley, McAllister, Saunders and Sutton. Senator Wib Gulley presided.

Senator Gulley opened the meeting by asking Janice Faulkner, Department of Motor Vehicles, (DMV) Commissioner to give her remarks regarding the DMV. Commissioner Faulkner told the Committee that DMV was doing more work with fewer employees and technology has improved customer service. Representative Crawford thanked Commissioner Faulkner for all her hard work and service to the State. Representative Bowie added her good wishes to Ms. Faulkner on her retirement and commended her for improving the operations of DMV. Commissioner Faulkner thanked the Committee and told them she was drawing only half of her salary since coming to the DMV in 1997 because she was drawing retirement. This saved the State over \$200,000.

Next, Colonel David Richards gave his report on the Enforcement Division of the DMV (Handout #1, page 25). During his presentation, Colonel Richards told the Committee that when a weigh station is closed, the employees are reassigned. Also, he reported that the weigh stations are open 16 hours/day, five days a week, but when trucks start to back up on highway, the station is closed temporarily to prevent a safety hazard.

In response to a question by Representative Sutton, Colonel Richards told the Committee he did not know how far behind the Enforcement Division was in the process of picking up plates from drivers without insurance. He would get that information for the Committee. Also, he was concerned by the increase in truck crashes indicated on page 32 of Handout, but did not have an answer as to why the increase. Senator Gulley asked Colonel Richards to work with staff to see if any answers could be determined.

The meeting was adjourned at 10:00 AM



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

DIVISION OF MOTOR VEHICLES

North Carolina Department of Transportation



Overview

www.dmv.dot.state.nc.us

DIVISION OF MOTOR VEHICLES

Mission

- The DMV Team delivers quality motor vehicle services, promotes highway safety, and furnishes timely and accurate information by providing excellent customer service, enforcing motor vehicle laws, and maintaining the integrity of official DMV records.

Vision

- By 2003, North Carolina's Division of Motor Vehicles will be the most fully integrated, technologically advanced, customer driven motor vehicle services and highway safety system in the country.

Values

- Effective Communication
- Employee Development
- Openness & Honesty
- Accountability
- Continuous Improvement
- Teamwork

Short Term Strategies

- Use Technology Effectively
- Improve Communication & Education
- Improve Physical Facilities
- Improve Personnel Hiring & Development Practices
- Expand & Improve Customer Services
- Promote Strategic Investments
- Develop A Quality Assurance System

Long Term Strategies

- Improve Accountability
- Improve Accessibility
- Reduce Cost
- Reduce Time
- Improve Professionalism

DIVISION OF MOTOR VEHICLES

DMV Overall 1999-2000

7.3 million registered motor vehicles

6 million licensed drivers

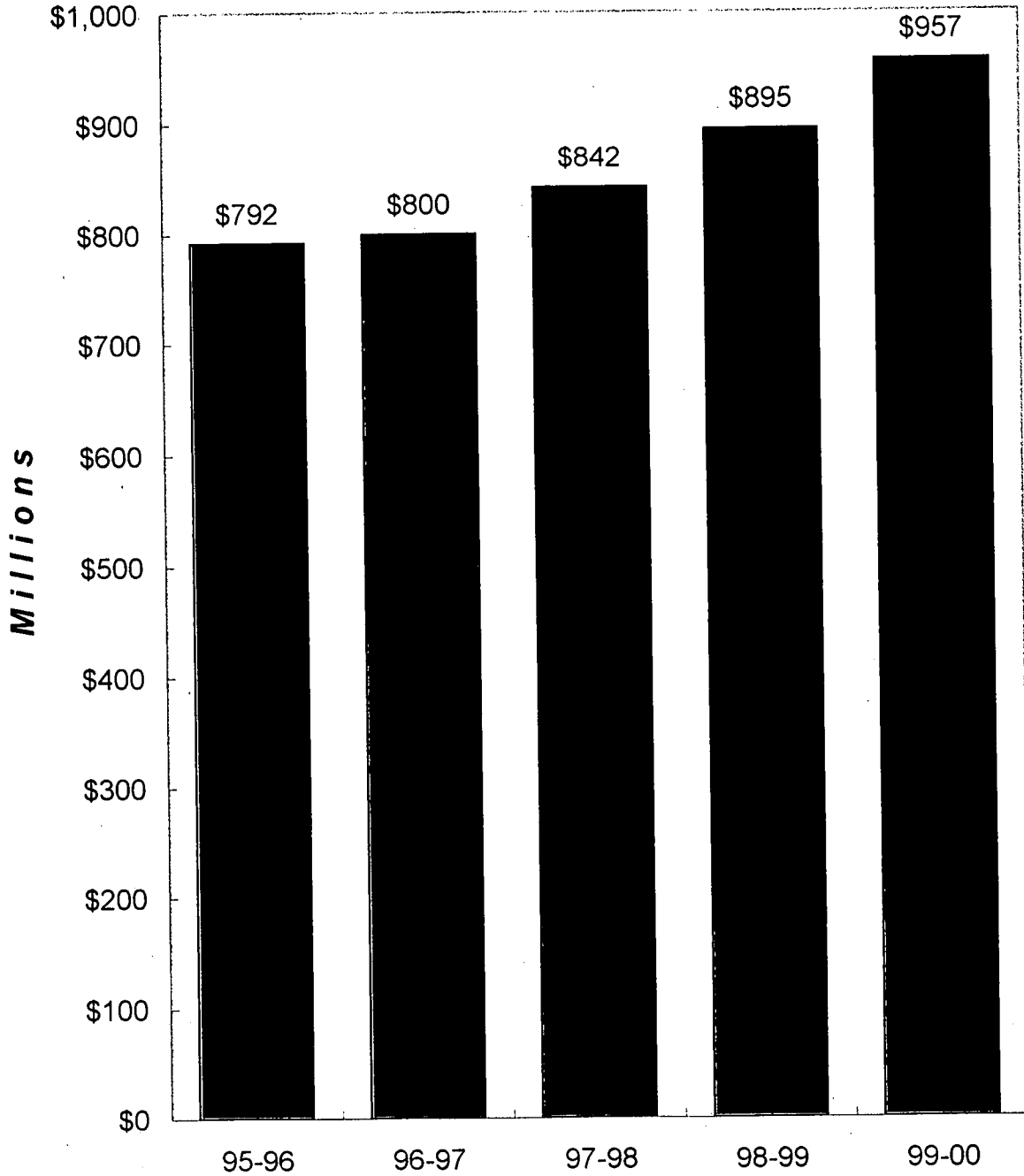
1,844 employees statewide

539 sworn law enforcement officers

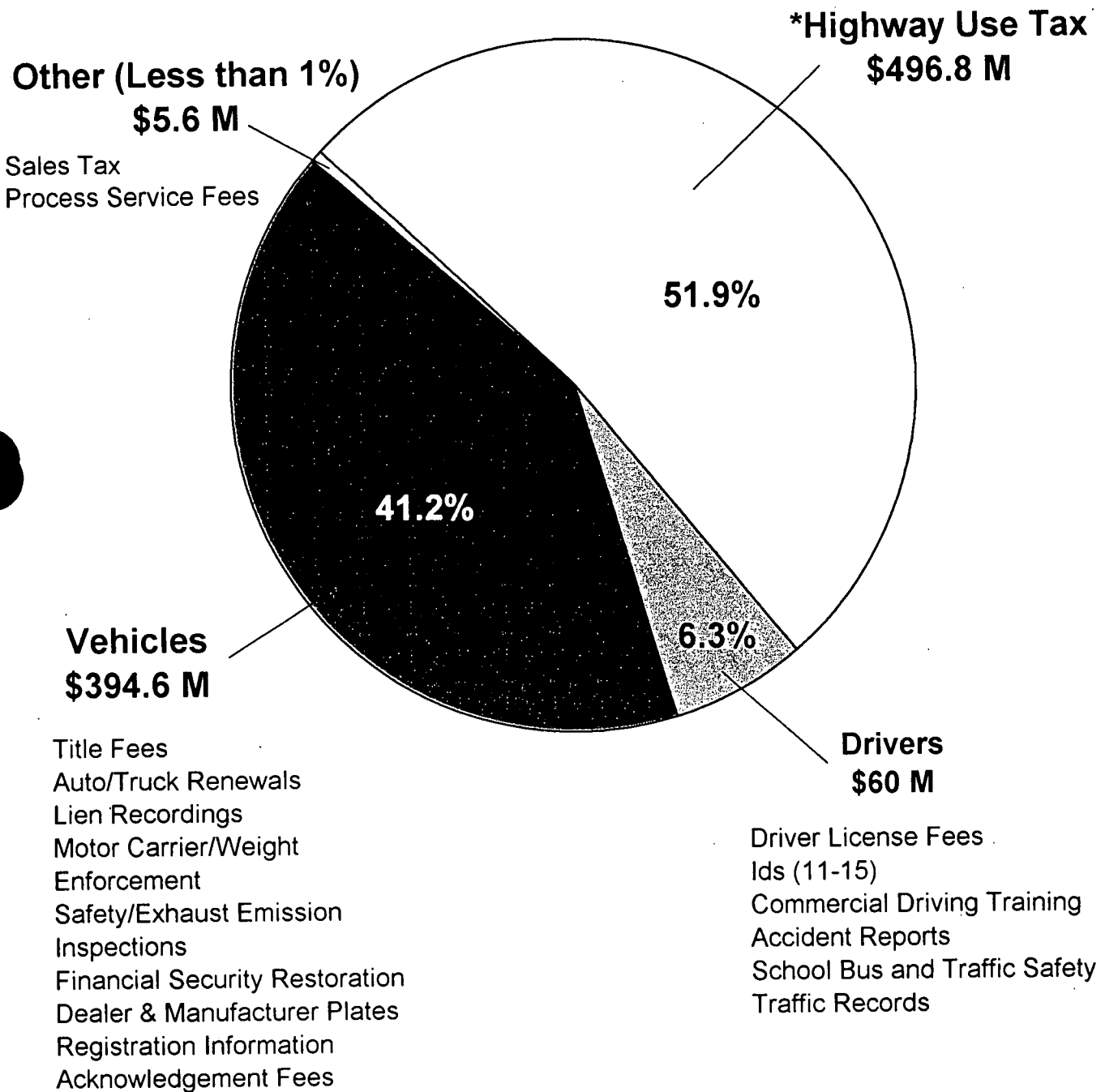
11,235 motor vehicle dealers regulated

\$957 million collected

NC Division of Motor Vehicles
Revenue Collected
1995-96 through 1999-2000

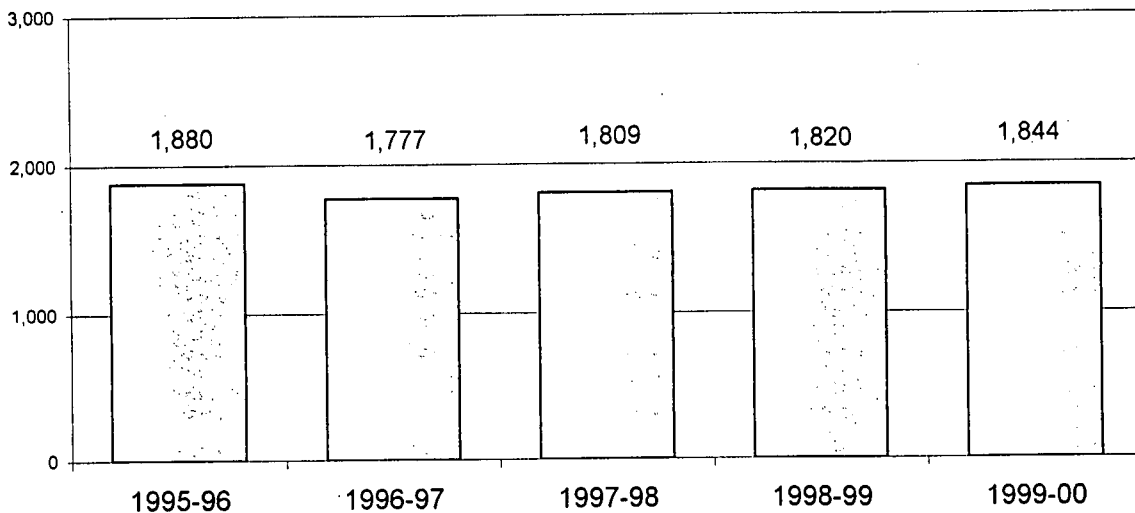


NC Division of Motor Vehicles
Revenue Sources
1999-2000
Total \$957 Million

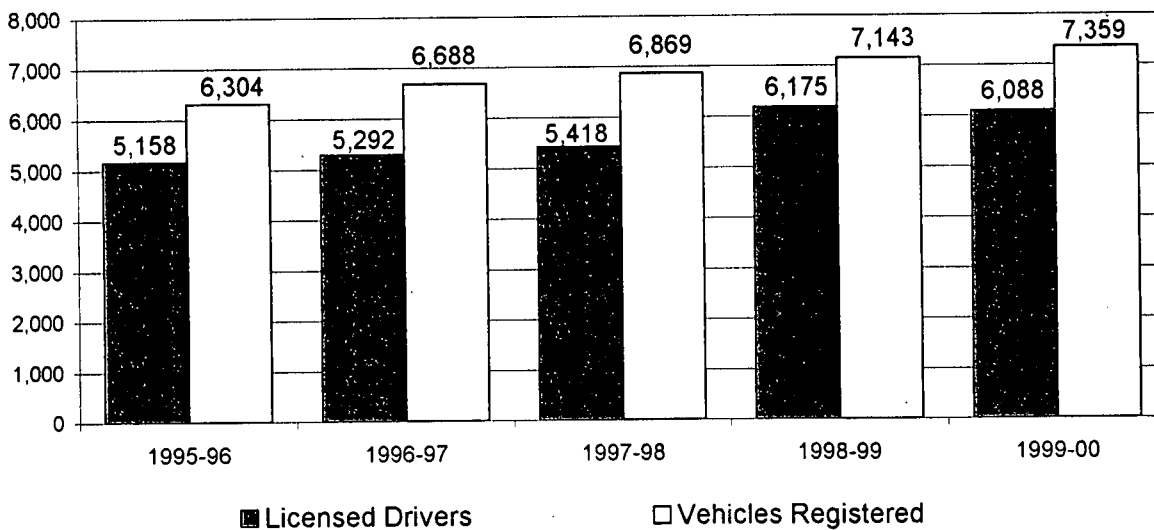


* Note: Only depicts portion of Hwy. Use Tax collected by Div. Of Motor Vehicles. Collection made by the Dept. of Revenue outlined in G.S. 105-187.5 not included in this total.

**NC Division of Motor Vehicles
Number of Positions**



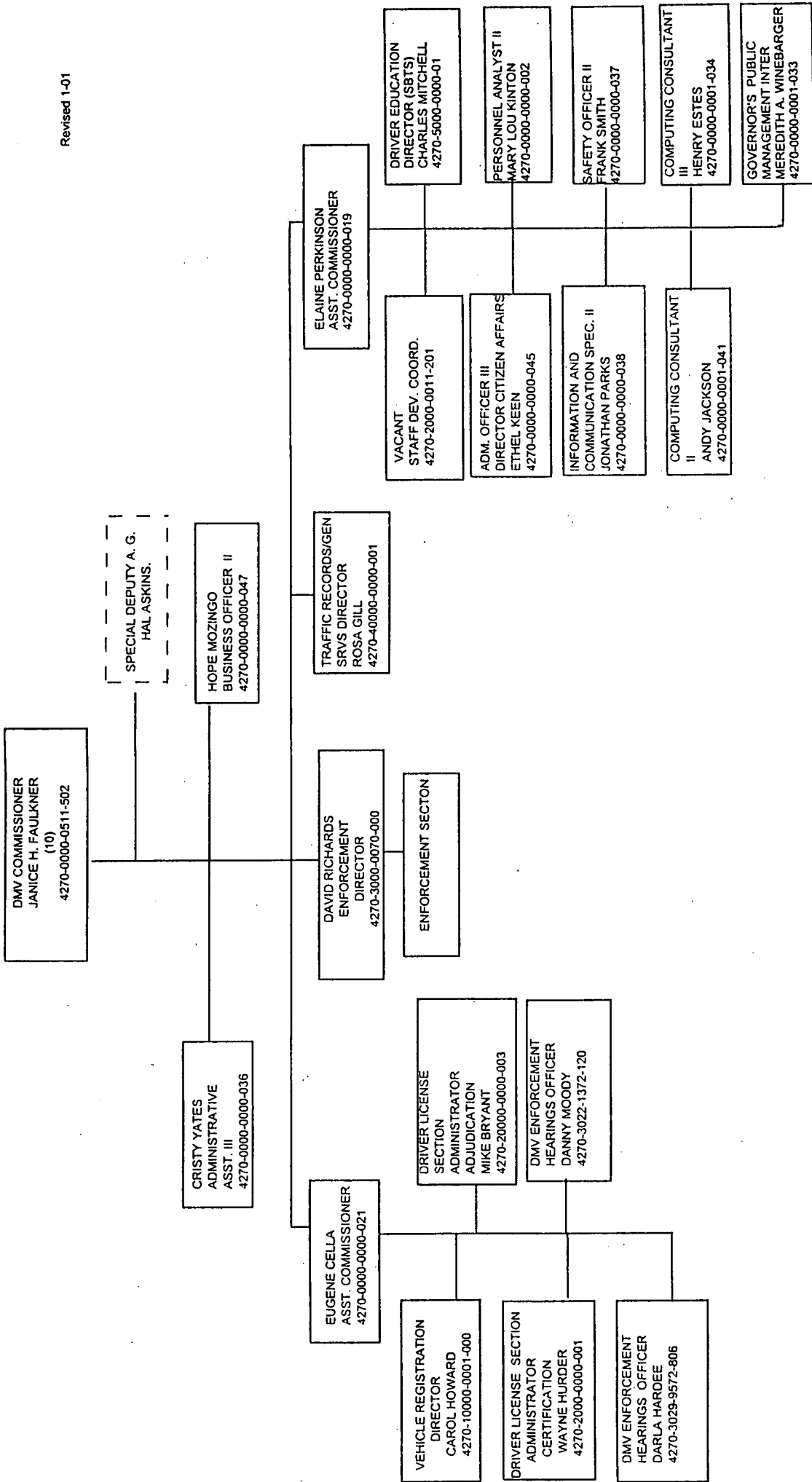
**NC Division of Motor Vehicles
Licensed Drivers and Vehicles Registered
(In Thousands)**



DIVISION OF MOTOR VEHICLES
ORGANIZATIONAL CHART

SIGNATURE _____
TITLE _____

Revised 1-01



0510 Commissioner's Office

MISSION AND FUNCTION

The Commissioner's Office provides overall policy, management and administration of the Division of Motor Vehicles and the 1,844 employees.

The Commissioner's Office is responsible for:

- Short and long-range planning
- Legislative program
- Personnel actions
- Budget requests
- Safety planning
- Telecommunications

BUDGET AND PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-00
Personnel	\$1,198,294	\$ 815,352	\$1,006,112	\$1,171,062	\$1,253,152
Operating	\$6,594,940	\$1,370,778	1,137,927	\$ 1,089,945	\$2,776,085
Total	\$7,793,234	\$2,186,130	\$2,144,039	\$2,261,007	\$4,029,237
# of Positions	34	16	19	27	31

- FY95-96 includes personnel, postage and equipment costs for the DMV General Services Section that was transferred to DOT. Also includes funds for the purchase of the VRU and SADLS programming.
- FY97-98 began the consolidation of functions that serve the entire division under the umbrella of the Commissioner's Office. Initial reorganization began with Personnel.
- FY98-99 includes funds to support Department of Justice attorney and support positions assigned to DMV budgeted at \$521,850 or 48% of the operating budget.
- FY99-00 includes funding in the amount of \$1,486,889 to purchase a Telecommunication System for the Division.
- Personnel in the Commissioner's Office include:
 - Commissioner – 1
 - Assistant Commissioners – 2
 - Budget - 2
 - Personnel – 8
 - Safety - 1
 - Public Information – 1
 - Organization Development - 1
 - Staff support - 4
 - Citizen Affairs – 9
 - Gov. Public Mgt. Fellows Program – 1
 - Telecommunications - 1

MAJOR ISSUES AND CHALLENGES

- Public Records and Privacy Acts
- Telecommunication System
- Workforce Development

Citizen Affairs Section

Created in February 1996, this office provides assistance to all sections within DMV, providing employee training and incentives, serving as liaison for the non-English speaking population, and addressing customer inquiries. On average, the Citizen Affairs section serves more than 355 walk-in customers daily and handles hundreds of telephone calls.

Customer Service

- Document research and address customer inquiries in a timely manner
- Develop and share customer service information with all sections
- Provide service oriented training opportunities to headquarters and field offices
- Developed and maintains a customer tracking system for citizen concerns
- Publish the MOTOR MOUTH

Direct Service for NC Clerks of Court

- Provides immediate services to DMV records for Clerks and Court officials in all counties
- Eliminates the wait for additions and revisions to court records
- Provides training in cooperation with the Administrative Office of the Courts
- Issues user identifications and serves as system liaisons between the court and DMV
- Maintains user database impacting over 900 users.

Information Desk

- Greets the public and provide assistance as needed
- Provides continuous service during hours of operation
- Directs customers to services within the building
- Answers general questions
- Provides information and directions to other DMV locations and state office buildings as requested
- Distributes agency brochures, handbooks, maps, employment applications and other information
- Monitors use of first-aid room and first-aid supplies

Assistance to Hispanic Customers

- Provide an interpreter for Hispanic customers for hearings, title and registration, insurance, and driver license needs
- Translate written material for all sections and customers. This service is provided for walk-in customers, by telephone and facsimile

Agency Operator

- Provides operator assistance for telephone customers
- Transfers calls to appropriate service areas
- Provides continuous service during hours of operation

0520 Vehicle Registration

MISSION AND FUNCTION

The Vehicle Registration Section

- (1) delivers quality titling and licensing services,
- (2) furnishes timely, accurate information,
- (3) provides excellent customer service,
- (4) maintains the integrity of official vehicle registration records.

The section provides services through two state offices (Raleigh and Charlotte) and 128 privately contracted license plate agencies. The private contract agents employ over 500 individuals. The section supports the International Registration Program (IRP) which licenses and regulates the trucking industry, and also administers the continuous liability insurance requirements for North Carolina citizens.

BUDGET AND PERSONNEL TRENDS

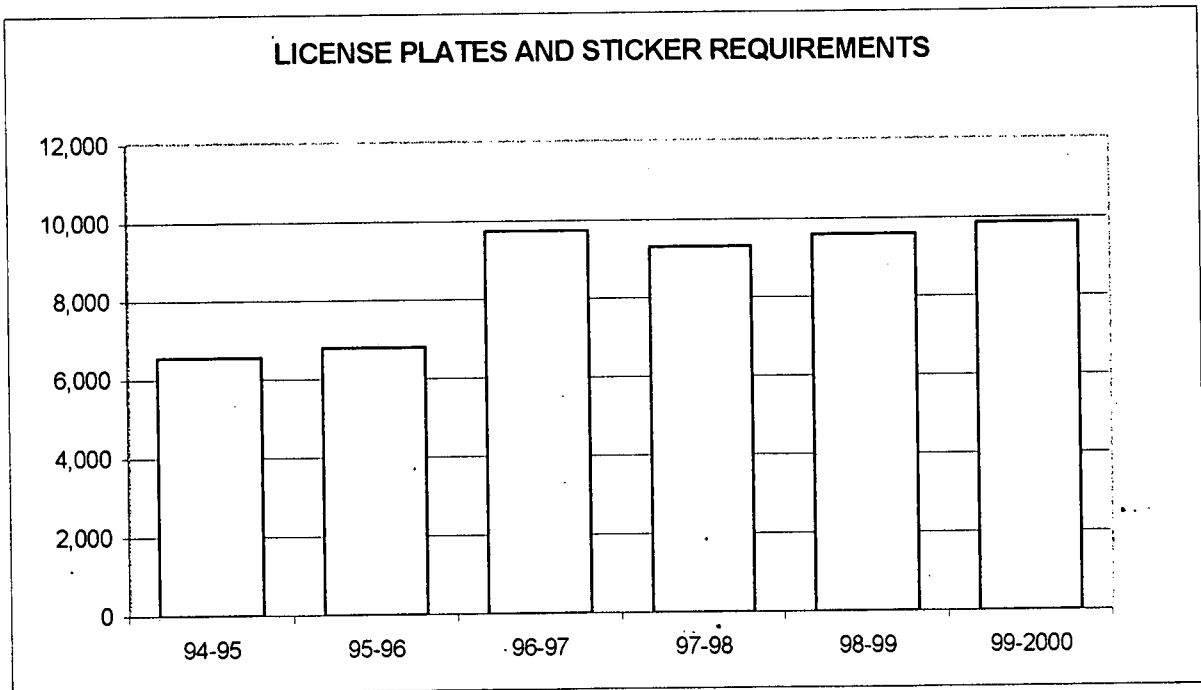
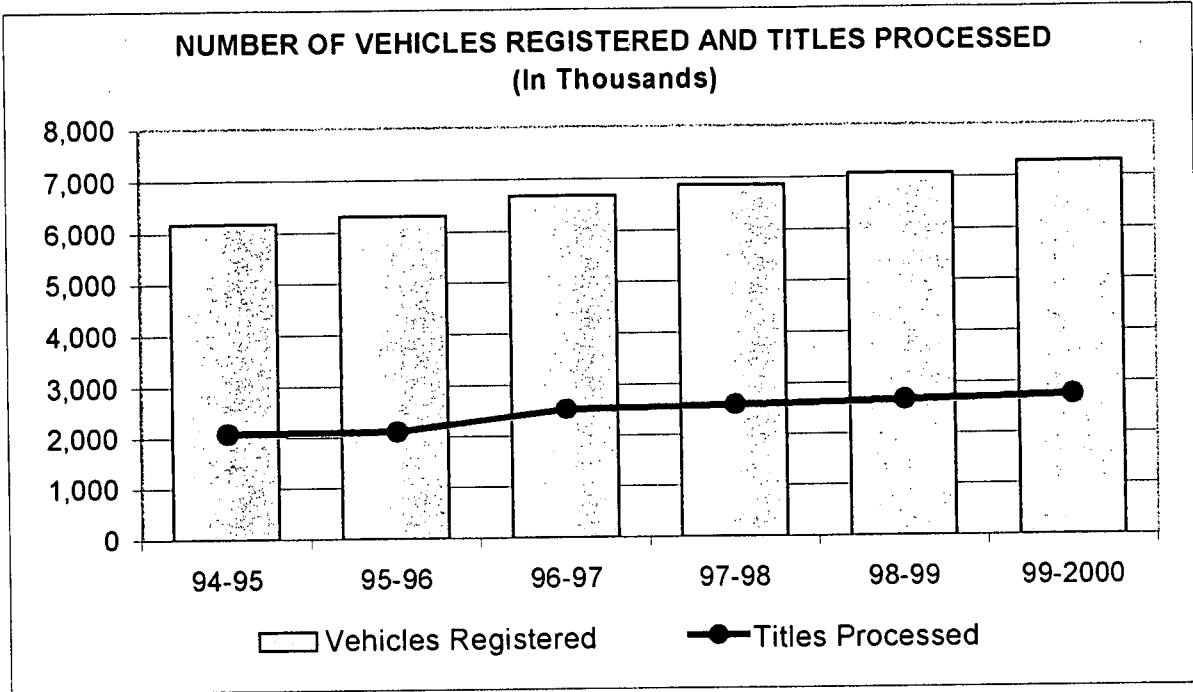
	95-96	96-97	97-98	98-99	99-00
Personnel	17,132,155	15,744,013	15,143,463	15,513,933	14,351,091
Operating	16,128,809	18,427,475	20,525,367	22,668,572	21,204,422
Total	33,260,964	34,171,488	35,668,830	38,182,505	35,555,513
# of Positions	584	498	461	461	442

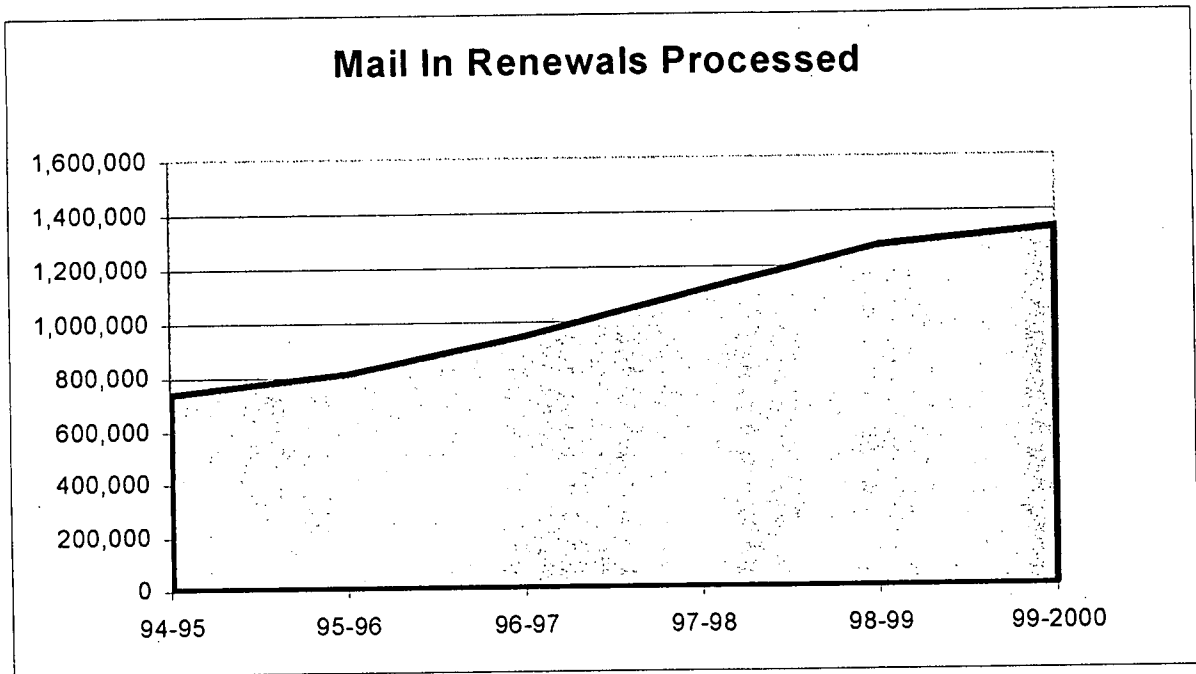
FY 99/00

- 38% of the overall operating budget is for branch agent's compensation.
(If the branch agent's compensation increased 6%, this would be an additional cost of \$793,591).
- 12% of the overall operating budget pays for license plates and validation stickers.
- 50% for remaining operations

PERFORMANCE INDICATORS

- Number of vehicles registered will increase as population increases (7.3 million vehicles registered FY99-00)
- Number of titles processed will increase as a result of population increase (2,674,017 processed FY99-00).
- Number of plates and stickers issued will increase as vehicle base increases.
- Percentage of mail-in renewals will increase as customers seek alternative solutions to prevent having to walk into an office (23% of total renewals in FY99-00).





SUCCESS STORIES

STARS, State Title and Registration System Implemented December 1996

- Section operating more efficiently with a reduction in personnel of **142 positions in the last five years.**
- Automation of processes has reduced title processing time from 3 to 4 months to 3 to 4 days.
- Wait time for customers has been reduced in most areas.
- Bar code technology utilized for license renewal and in the vehicle inspection program.
- N. C. was first state to print vehicle tag number on blank renewal sticker by laser printer at each individual workstation.
- STARS System considered a model system and has been demonstrated to 14 other states.

New IRP (International Registration Plan and Motor Carrier Computer System Successfully Implemented August 1999)

- IRP transactions can be offered to the public in 35 private contract offices thereby improving customer service for the trucking industry.
- Design will support a staggered renewal system for trucks, which should improve efficiency and reduce costs.

New Liability Insurance Tracking and Enforcement System Successfully Implemented August 1999

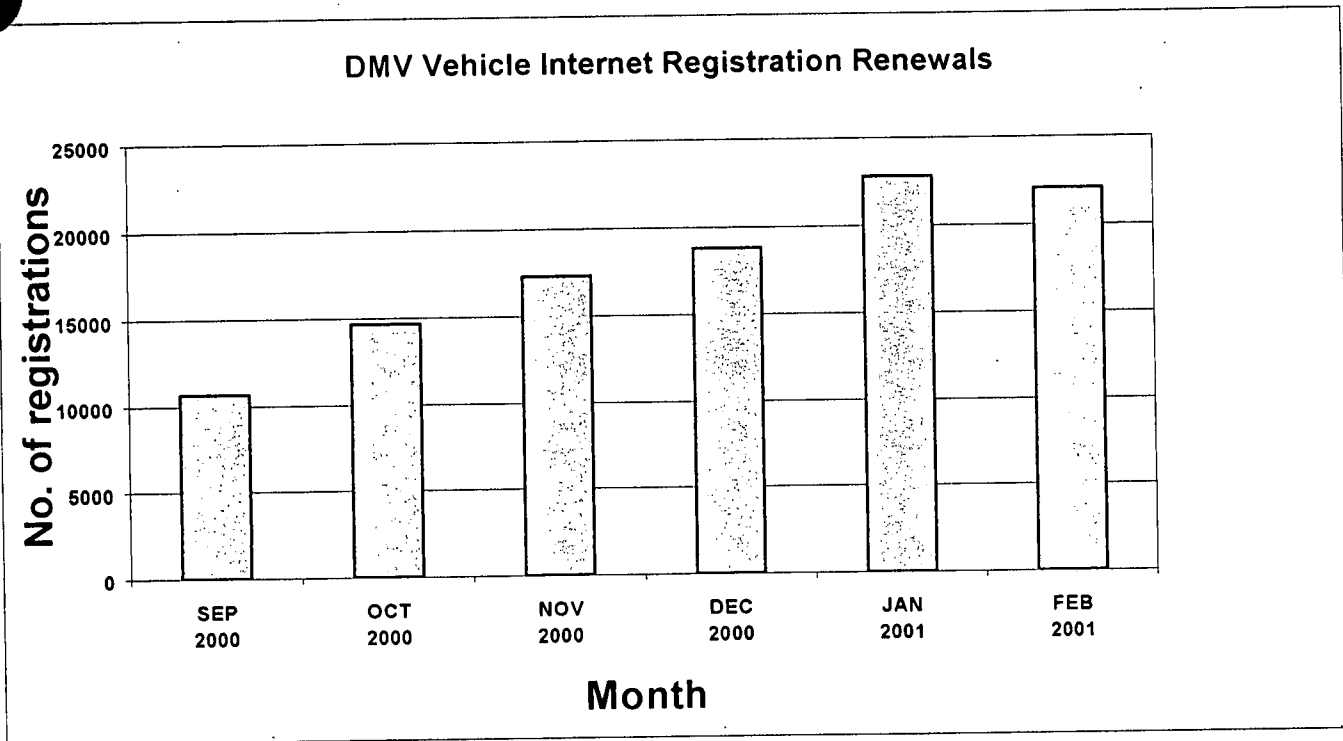
- New legislation implemented October 2000, which requires insurance companies to submit new policy information in addition to notice of termination, which will improve customer service by reducing unnecessary contacts with citizens.
{By comparing the new business against the cancellations, we project that we may reduce the number of letters to citizens by 350,000 in a one-year period.
- Automates processes such as scheduling of hearings.

Implemented an On-Line Dealer Program for NC Automobile Dealers in 2000

- Participating dealers actually process the title and license applications for the Division. They maintain an inventory of license plates and actually issue the plate when the customer purchases a vehicle, thereby eliminating the need to take the work to a License Plate Agency.
- 68 Dealers participating by 2-28-2001 and additional dealers are added each month.
- Section received CPI Award for dollar savings for the new program.

Rolled Out New Click@DMV – Internet License Plate Renewal September 1, 2000

- Overwhelming response with over 106,000 renewals processed in first six months with 200,000 renewals projected for first twelve months.
- Duplicate Registration option added on March 23, 2001.
- Hope to add the ability to reserve personalized or special plates later this year.
- This month, as a pilot, we have offered Wake County residents the option of renewing their plate by telephone.
- First Application for DMV involving acceptance of credit cards.



MAJOR ISSUES/CHALLENGES

- Keeping up with public demands for alternative service options.
- Method of funding for expansion of Internet transactions and credit card expenses. {Advertisers willing to pay to include their advertisements in our monthly renewals. At no cost to us, we could potentially receive over \$300,000 in payment}.
- Staggering of commercial vehicles to equalize section's workload (legislation will be required). Productivity Management currently studying change in revenue stream as a result of staggered expansion. {Currently, commercial plates must be renewed each year in January and February. Staggering the renewal would allow us to divide the workload into 10 months, rather than 2 months}.
- Implementation of IRP Internet Renewal project expected by July 1, 2001. {Project has been delayed as a result of a freeze placed on the funds that were to be used for the project}.

EXPANSION ITEMS REQUESTED

Vehicle Registration Customer Merge Program (\$480,000 - FY2002-03)

- The advantage of the requested V.R. Customer I.D. Merge Database at D.M.V. is to create one record for a customer. Since customers have not always completed registration on vehicles using the same name as reflected on their driver's license, many customers have multiple records/files with D.M.V. It is essential that records be combined so that stop's, points on driving records, crash records and other D.M.V. related information all correspond with the correct citizen. Vehicle Registration does not have the technical capability to merge existing files.

This will require Information Technology Systems (ITS) resources for analysis of user requirements and design to accommodate linking the customer I.D. information in a manner that can be effectively utilized by Vehicle Registration, Drivers License, Enforcement and Crash.

Delaying this project will result in increased costs due to the continued contamination of our growing database.

0530 Driver License

MISSION AND FUNCTION

Mission: "The Driver License Section will deliver quality driver license services, promote highway safety and furnish timely and accurate information by providing excellent customer service, enforcing motor vehicle laws and maintaining the integrity of official Driver License records."

The function of the Driver License Section covers these core responsibilities:

- Assess the physical and mental capacity of customers to drive safely
- Conduct driver license examinations and issue licenses or ID cards
- Train and monitor both state and third-party commercial driver license examiners
- Suspend driver licenses and reinstate licenses
- Develop driver license handbooks, testing materials, and training materials

BUDGET AND PERSONNEL TRENDS

	1995-96	1996-97	1997-98	1998-99	1999-2000
Personnel Costs	\$16,539,323	\$18,112,501	\$18,289,260	\$20,922,742	\$20,122,977
Operating Costs	5,082,195	4,438,449	6,421,853	7,704,573	6,823,779
TOTAL	\$21,621,518	\$22,550,950	\$25,050,588	\$28,627,315	\$26,946,756
# of Positions	541	551	584	595	600

Changes in Number of positions reflect following actions:

- As of June 30, 1995, 55 positions data entry/clerical positions eliminated due to implementation of SADLS
- As of June 30, 1996, 4 new examiner positions for new office in Cary
- As of June 30, 1997, 10 new examiner positions for new office in East Charlotte
- As of June 30, 1998, 31 new examiner positions due to graduated driver license and Driver License staffing study and 2 clerical positions for impact of Driver Privacy Protection Act
- As of March 10, 1999, 11 new examiner positions for impact of graduated driver license and staffing study.
- As of March 10, 1999, total of 595 positions
- As of June 30, 2000, a total of 600 positions including five medical review personnel transferred from the Department of Health and Human Services.

- Of 600 positions, 592 position are involved in providing direct service with external customers on a daily basis.

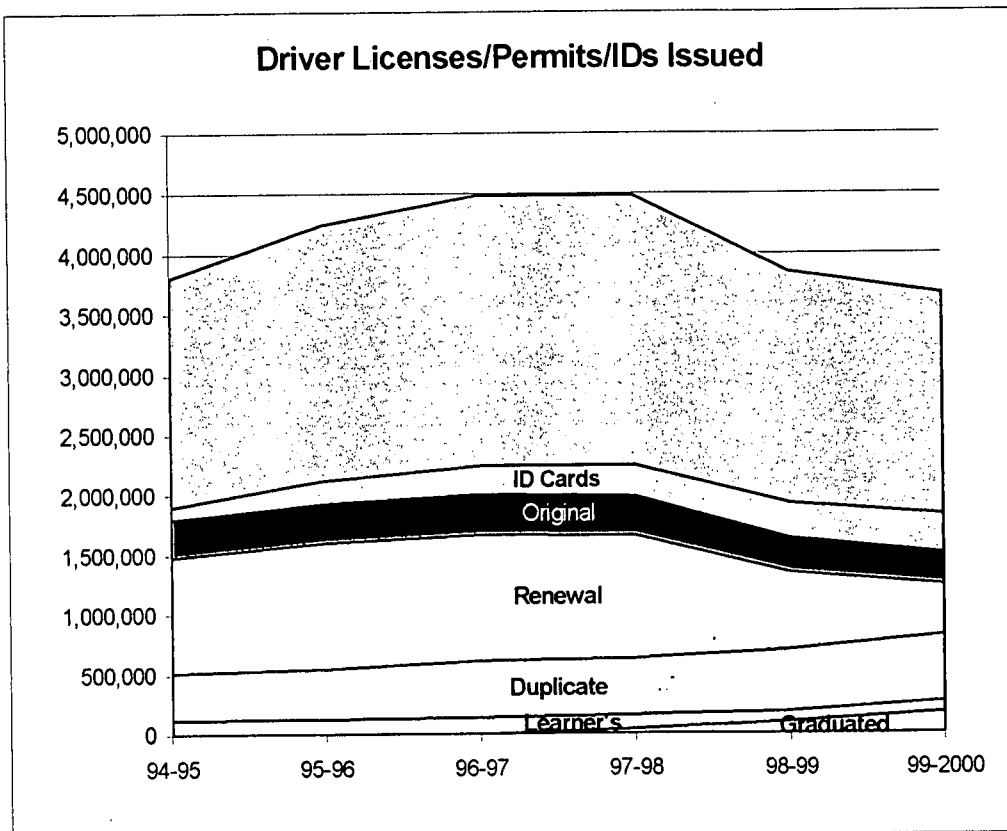
Driver License Section is administered through two branches:

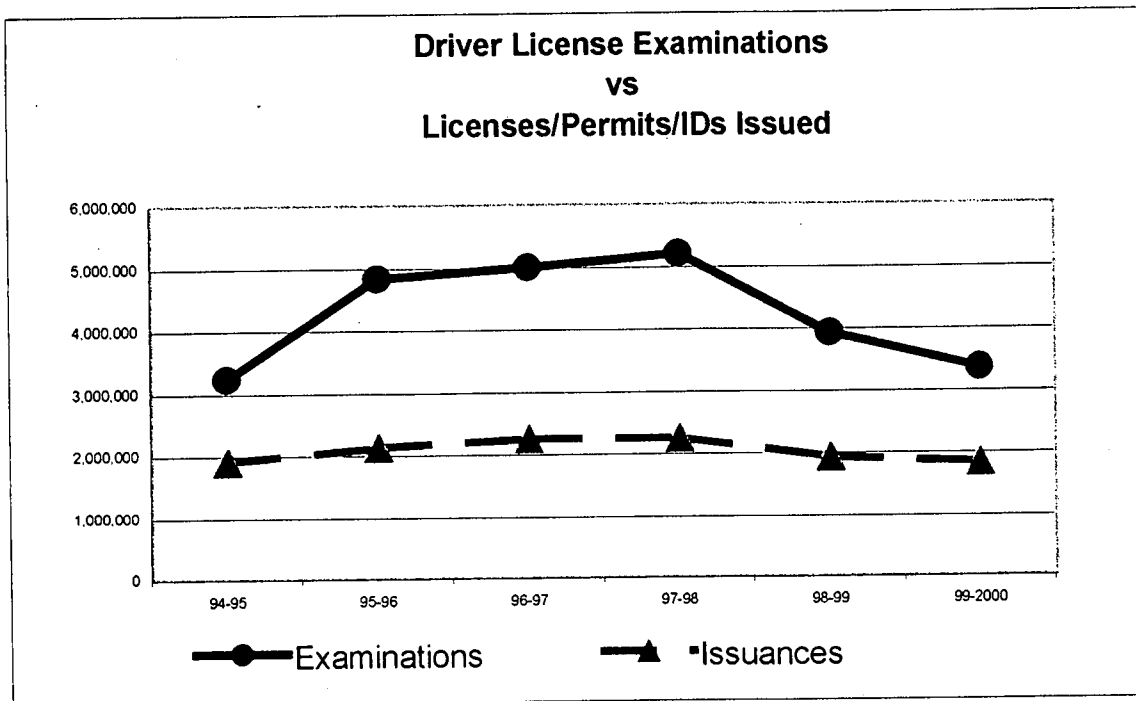
- Certification Branch (Wayne Hurder) responsible for issuance of classified driver license (which includes graduated license), ID cards, and the federally mandated Commercial Driver License (CDL).
- Administration/Adjudication Branch (Mike Bryant) responsible for suspension of drivers; hearings for drivers; medical evaluation of drivers; telephone room; budget, supply and audit.

Key components of operating budget are travel (2236, 2237), telephone (2322), rent (2330), uniforms (2412) and driver license per issuance fee (2524):

<u>Line item</u>	<u>1999-2000</u>	<u>% of Total Operating Budget</u>
Travel (2236, 2237)	\$707,694	10.4%
Telephone (2322)	\$767,875	11.3%
Rent (2330)	\$490,772	7.2%
Uniforms (2412)	\$88,450	1.3%
DL Issuance Fee (2524)	\$1,950,517	28.6%
TOTAL	\$4,005,308	58.8%

PERFORMANCE INDICATORS





- Original issuances will rise about 2% annually
- Number of renewal customers declines dramatically CY99 and increases every year after back to "normal" level after 2002
- Duplicate licenses and IDs may increase faster than population growth due to increased reasons for suspension of licenses, more mobile population, and influx of non-English speaking customers

SUCCESS STORIES

- Mobile Service Center has expanded to 20 sites as a result of requests from communities. Service provided at State Fair, Dixie Classic Fair, and Western North Carolina Fair. It was used in Tarboro in late 1999 to assist with Hurricane Floyd relief and in Charlotte during the summer of 2000 to aid with overcrowded offices. The services to the 20 sites represents a net annual "cost avoidance" savings of \$160,000, based on the cost that would be entailed in having fixed-site service at each of these locations.
- For the first time, the American Association of Motor Vehicle Administrators has accredited the Driver License certification program. The Section has been accredited for both certified driver license testing and the commercial driver license testing. North Carolina is one of only seven states with both accreditations.
- Over 56,000 CDL skills tests were administered under the third-party tester program which allows the private sector and other public agencies to skills-test their own drivers, with training, oversight and auditing performed by the Driver License Section. Had this testing been conducted by Driver License examiners, it would have required 51 additional examiner positions.

- Automated Knowledge Testing (driver license test) have been installed in 23 sites. The ultimate goal is to provide the automated testing capabilities in all offices that have three or more examining personnel.
- The Driver License Section totally revised its questions for classified driver license tests to make them easier to understand and to eliminate non-essential questions. At the same time, the passing threshold was raised from 70 per cent to 80 per cent.
- Customer Traffic Management System (queuing systems) was installed in 15 sites to eliminate the need for customers to wait in line and to allow the Section to monitor productivity. Long-term plans include queuing systems in all offices that provide automated testing.
- New offices opened in East Charlotte and Clayton in 1999.
- Medical Review operations were brought in-house in late 1999 after the Department of Health and Human Services decided to give up management of the program. This has improved communication among staff members and allowed for greater consistency in decision making.
- Since the program has been under the management of Driver License/DMV personnel the average number of cases pending review and decision has been reduced from 5000 to 500.

MAJOR ISSUES AND CHALLENGES

- The Driver License Section will implement on-line (Internet) transactions for duplicate driver licenses in late May 2001. Initially, the services will be available for persons needing a new license due to change of address, lost or stolen licenses, or damaged licenses. It is estimated that over 400,000 customers would be eligible to use the service. At its peak use, we anticipate the service will be able to allow 150,000 to 200,000 to use the service at home or work without having to visit an office.
- Driver License Section is evaluating the possibility of a 10-year renewal recycle, combined with targeted re-testing of "at-risk" drivers and more frequent testing of drivers age 75 and over who do not opt to take a senior driver safe driving course. Discussions with the UNC Highway Safety Research Center indicate that such a format could be a net plus for highway safety, primarily because of re-testing of "at-risk" drivers and more frequent testing of older drivers.

0540 School Bus and Traffic Safety (SBTS)

MISSION AND FUNCTION

To promote traffic safety, administer a comprehensive training and certification program for school bus drivers and provide professional leadership in driver improvement for the citizens of North Carolina.

OPERATIONS

- Develop programs to enhance highway safety
- Train and certify school bus drivers
- Conduct safety programs for school bus drivers and passengers
- Ensure that all school bus drivers are medically and physically able to operate buses
- License commercial driver training schools and instructors
- Develop training materials for the School Bus Driver Training Program and the Commercial Driver Training Course

BUDGET AND PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-00
Personnel	\$4,225,694	\$4,389,734	\$4,527,957	\$4,611,875	\$4,347,490
Operating	\$396,183	\$391,499	\$408,611	\$389,347	\$377,966
Total	\$4,621,877	\$4,781,211	\$4,936,568	\$5,001,222	\$4,725,456
# of Positions	94	94	96	95	95

- In-State Transportation is 62% of FY 99-00 operating budget.
- Only six (6) positions are located at DMV Headquarters. The remaining 89 positions are in the field.

PERFORMANCE INDICATORS

School Buses	95-96	96-97	97-98	98-99	99-00
Number operating	12,913	12,884	12,957	13,014	13,062
*Number of drivers trained and certified	11,267	6,554	8,343	8,432	7,912
Number of students transported	707,725	690,510	685,670	687,690	692,694
Number and percentage of buses involved in crashes	882 (7%)	854 (7%)	861 (7%)	835 (6%)	860 (7%)

*North Carolina includes 117 local school districts. Twenty-six local school districts require all non-teaching school personnel to be certified as school bus drivers as a condition of employment.

Commercial Driving Schools	95-96	96-97	97-98	98-99	99-00
Number of schools licensed	71	89	109	79	66
Number of instructors certified	536	627	791	716	841

Driver Improvement Clinics	95-96	96-97	97-98	98-99	99-00
Number of persons completing clinics	9,348	9,086	**16,207	7,273	6,754

** The Section provided Defensive Driving Courses to all employees in the Department of Transportation during the FY 1997-1998.

SUCSESSES

- Four-hour Defensive Driving Course (DDC-4) Implemented in 1997-98
- No significant increase in number of school buses involved in crashes despite increase in number of buses operating
- Revised NC School Bus Stop Law Brochure for the motoring public (see attached page)

ISSUES AND CHALLENGES

The School Bus and Traffic Safety Section experienced minimal personnel turnover for a number of years. A significant percentage of SBTS career personnel have now reached or are approaching eligibility for retirement. The Section is losing experienced employees and is involved in intensive efforts related to recruitment, hiring and training new staff.

EXPANSION ITEMS REQUESTED

Increase in Staffing for the School Bus and Traffic Safety Program – The Division of Motor Vehicles is responsible for overseeing motor vehicle safety throughout the state. The division also has the responsibility for training and certification of drivers for more than 13,000 public school buses operated daily across our state. The School Bus and Traffic Safety Section currently employs 84 driver education specialists, each of whom is responsible for the training of drivers and substitute drivers. To fully meet the training needs across the state, additional funding is recommended to support two additional driver education specialist positions, one processing assistant position and appropriate operating costs in fiscal year 2002-03.

The Section requests additional School Bus and Traffic Safety positions to meet the needs in the State's most populous areas. The State's rapid population growth has had a major impact on the need for additional school bus drivers across the State, most notably in Wake, Charlotte-Mecklenburg, Durham and Guilford Counties. Based on dramatic increases in the numbers of children that started school in these areas during Fiscal years 1998-1999 and 1999-2000, and the additional projected increases for the next fiscal year, the Section needs three additional positions for FY 2002-2003.

The Section is currently working on plans that will require a physical examination for all school bus drivers starting in the year 2003. The processing assistant position is needed to handle the additional workload associated with these reports.

0550 Traffic Records

MISSION AND FUNCTION

To deliver quality motor vehicle services, promote highway safety, and furnish timely and accurate information by providing excellent customer service, enforcing motor vehicle laws and maintaining the integrity of official DMV records.

The Traffic Record Section is responsible for:

- Establishing and maintaining a central repository for statewide crash data.
This data is used by Traffic Engineers of the Division of Highways to identify safety improvements for trafficways; research community to conduct studies on drivers and conditions; to link the severity of injuries and the ability of victims to survive crashes; and to recommend to manufacturers of automobiles safety improvements to vehicle designs.
- Developing a crash reporting document (DMV-349) based on federal reporting guidelines and needs of safety community stakeholders.
- Publishing monthly and annual crash statistical reports for the safety community; research organizations; traffic engineers and the motoring public and insurance companies.
- Training of law enforcement officers on completing the crash reporting form.
- Transmitting fatal statistical data to the National Federal Highway Traffic Safety Administration.
- Providing access to DMV records.
- Processing requests for data from DMV databases.
- Suspending the driving privileges of uninsured motorists at fault in a crash.

BUDGET AND PERSONNEL TRENDS

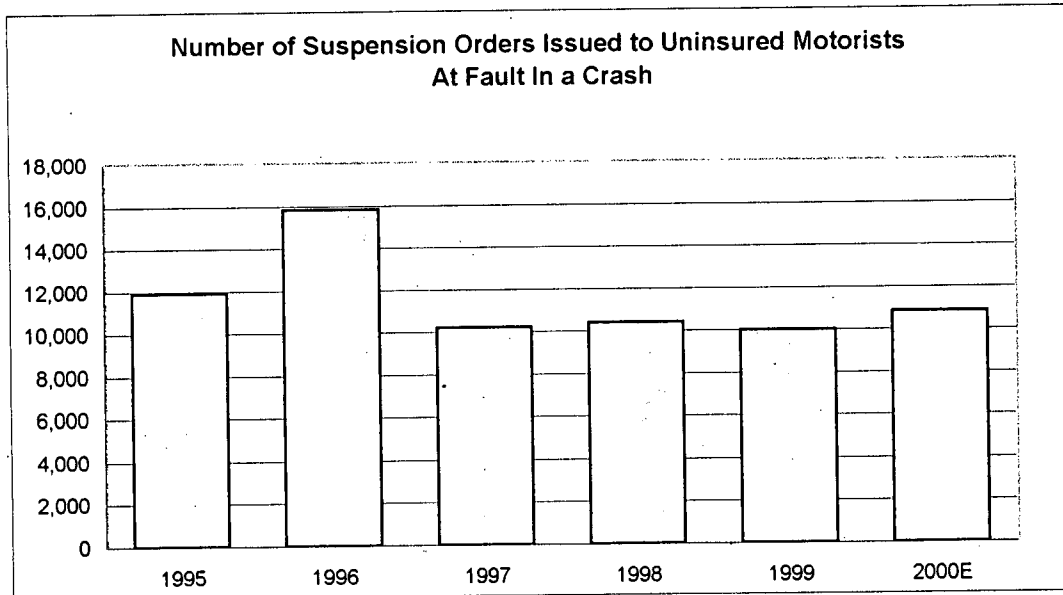
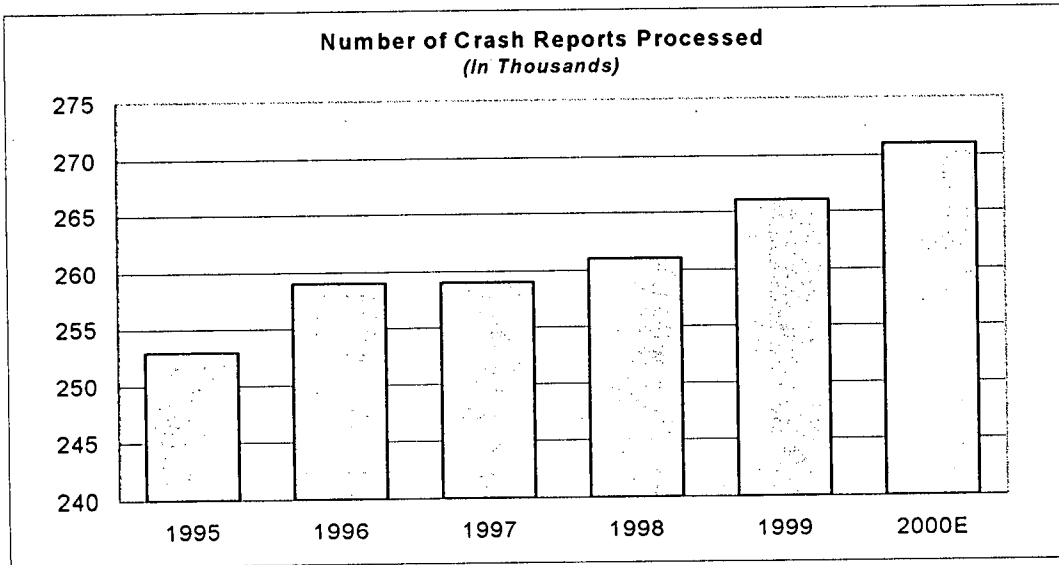
	95-96	96-97	97-98	98-99	99-00
Personnel	\$1,628,670	\$1,659,933	\$1,942,241	\$1,828,533	\$1,653,913
Operating	64,302	170,508	157,355	558,047	209,454
Total	\$1,692,972	\$1,830,441	\$2,099,596	\$2,386,580	\$1,863,367
# of Positions	53	53	53	54	53

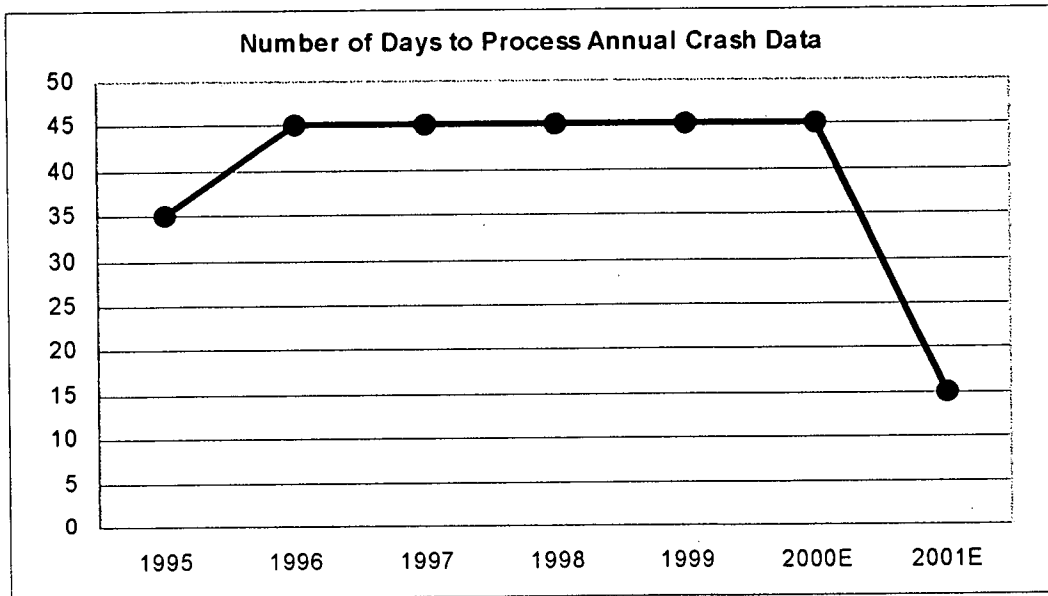
- In FY 96-97 there was an increase in operating expenses to create two additional units (Customer Merge and Data Control). Sixteen employees were proposed for the Customer Merge Unit. Funding was provided for workstations and personal computers for eight (8) employees.
- In FY 97-98 six positions were transferred from other sections within DMV to staff the two units. Funding was provided for the 8 additional workstations and personal computers for the Customer Merge Unit.
- Operating budget for FY 98-99 includes one-time funding for workstations and personal computers, installation, cabling, etc. It also reflects a slight increase in

operating expenses. These operating expenses are going to be necessary in order for us to provide better customer service through electronic commerce, e.g. faxing, and scanning.

- Operating budget for FY 99-00 reflects a decrease due to the one-time funding of equipment purchased for the implementation of the new Crash Reporting Program. Four positions in the Customer Merge Unit were transferred to the Driver License Section along with 8 workstation and 8 computers.

PERFORMANCE INDICATORS (based on calendar year)





SUCCESS STORIES

- Developed a new Crash Reporting form and program with a implementation date of January 1,2000
- Assisted State Highway Patrol and local law enforcement with improvement of data quality through education and training
- Established a relational database as an open data repository
- Crash Reports and statistical reports are available via the internet
- Automatic distribution of crash reports to internal and external safety agencies
- Monthly and annual crash facts are available via the DMV Website

MAJOR ISSUES AND CHALLENGES

- Promoting the electronic submitted of crash data by local law enforcement
 - Develop software for electronic capture and submission of data
 - Provide training to local law enforcement agencies.
- Redeployment and utilization of staff

0570 Enforcement

MISSION AND FUNCTION

The NCDMV Enforcement Section will promote highway safety, enforce all state and federal laws regulating highway and vehicle operations and maintain and provide accurate information through the efficient utilization of personnel and technology resources.

The Enforcement Section has the following responsibilities:

93 Non – Uniformed Inspector positions perform the following duties:

- *Conduct Criminal, Civil and Administrative Investigations*
- *Automotive Theft, Notice, and Stored Vehicle Investigations*
- *Automobile Salvage Investigations*
- *Dealer Licensing and Investigations*
- *Driver License Fraud and Identity Fraud Investigations*
- *Vehicle Registration Examinations and Investigations*
- *Licensing Safety Inspection Stations/Mechanics, Enforcing Safety Inspection Program Regulations and Arrest for Violations*
- *Odometer Fraud Investigations*
- *Special Investigations*

➤ 84 % of job duties consist of the above.

➤ 16% of job duties are administrative requirements, court and training

365 Uniformed Vehicle Enforcement Officer positions perform the following duties:

- *Over – Size/Over – Weight Enforcement*
- *Enforce Motor Carrier Compliance*
- *Rest Area Patrol*
- *Driver's License and License Plate Revocation Enforcement*
- *Fuel Tax Compliance Enforcement*
- *Work Zone Safety Enforcement*
- *Motor Carrier Safety Assistance Program Enforcement (MCSAP)*

➤ 92 % of job duties of field law enforcement personnel consist of the above.

➤ 8% of job duties are administrative requirements.

The DMV Enforcement Section is the only state law enforcement agency that is charged with the above specific duties. These 458 Enforcement Section personnel are assigned to the entire state, which would average 4.5 officers per county.

BUDGET AND PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-00
Personnel	\$20,572,315	\$18,882,947	\$19,546,162	*\$23,759,791	**\$23,957,553
Operating	6,407,424	5,745,512	5,827,286	5,400,916	**\$6,824,553
Total	\$26,979,739	\$24,628,459	\$25,373,448	\$29,160,707	\$30,782,106
# Of Positions	544	544	544	544	578

*Includes appropriations for the Enforcement Pay Equity Plan in the amount of \$3,001,486 that was passed in the 1998 Short Session of the General Assembly.

**Includes funding for 32 Work Zone Safety personnel and equipment.

- Transportation and License/Sticker costs consume 59% of the Enforcement Section's operating budget.
 - Transportation costs budgeted for the FY99-00 was \$3,076,423 or 45% of the operating budget.
 - The Enforcement Section does not purchase patrol vehicles.
 - The cost to purchase and issue dealer, manufacturer, commercial and transporter plates is currently 14% of the section's operating budget.
- The remaining 41% of the Enforcement Section's operating budget are for training needs, basic law enforcement uniforms and equipment, auto accessories such as bar lights and radios, etc., and technology needs.

SUCCESS STORIES

- In 1997, the Enforcement Section developed and implemented a 28-week Field Training Officer Program.
 - The types of training Enforcement Officers need to do their enforcement activities are extremely specialized.
 - In addition to BLET certification, required for all certified law enforcement personnel in the State, the Enforcement Section developed a field officer training program, which now provides this specialized technical commercial vehicle enforcement training for its newly hired personnel.
 - This training package ensures that our new officers are receiving consistent and uniform training throughout the Section.
 - In 1998, *this program was selected as the #1 Continuous Process Improvement* in NCDOT.
- Implementation of Truck Safety Legislative and Administrative Changes required a CVSA fine schedule for out of service violators.
 - This change was begun in December of 1999.
 - 10,487 citations have been issued.
 - \$1,284,475.00 in fines have been assessed.

- Increased the number of officers performing CVSA inspections and subsequently increase number of inspections. (From 53 MCSAP to approx. 250 uniformed officers.)

COMMERCIAL VEHICLE INSPECTIONS	TOTAL
July 96 – June 97	28,338
July 97 – June 98	27,351
July 98 – June 99	48,600
July 99 – June 00	69,151

**Table shows inspections conducted by all uniformed CVSA certified DMV personnel

- Use of thermal technologies to detect brake and other CMV vehicle violations.
- In 1997 – 1998, North Carolina ranked 4th in the nation for commercial vehicle fatal crashes.
 - DMV Enforcement increased inspections and commercial vehicle enforcement activities.
 - There has been a 17% decrease in fatal crashes in 1998 – 1999
 - North Carolina has moved from 4th to 8th in rank of the number of fatal CMV crashes since 1997
- The NCDMV Enforcement FUELtaCS (Fuel Tax Compliance System) citation system, Phase I, went into effect in January 1997.
 - This system was developed to provide cross-match information for the Department of Revenue to identify and collect highway fuel tax revenue being evaded by the trucking industry.
 - All roadside enforcement activities (overweight citations, CMV inspections, arrest citations, warning tickets or sightings information) are transmitted to the main database and cross-matched at DOR for revenue identification and collection.
- In Phase II, the wireless laptop environment will come on-line in FY2001 and will merge all DMV-Enforcement road enforcement applications.
 - Enforcement Section vehicles will be outfitted with laptop computers to issue overweight, motor carrier and traffic citations.

OVERWEIGHT CITATIONS (Past five fiscal years)

	Number of Vehicles Weighed	Vehicles in Violation (# of Citations)	Overweight Pounds	Monetary Collections
FY 1995/1996	5,203,519	18,884	127,602,773	\$7,850,488.60
FY 1996/1997	7,532,153	18,533	130,213,415	\$7,577,125.10
FY 1997/1998	6,855,501	21,870	173,039,414	\$7,758,549.69
FY 1998/1999	7,026,272	21,926	165,036,752	\$8,100,742.53
FY 1999/2000	6,974,642	20,150	157,226,824	\$7,268,648.61

Impacts on weighing activities: Hurricane Floyd necessitating Governor's Executive Orders exempting size and weight restrictions to affected disaster areas (1/3 of state).

- Mt. Airy Weigh Station (I-77) closed FY99-00 due to I-77 highway lane resurfacing project.
- Asheville Weigh Station (I-40 Westbound) closed due to scale replacement most of FY99-00.

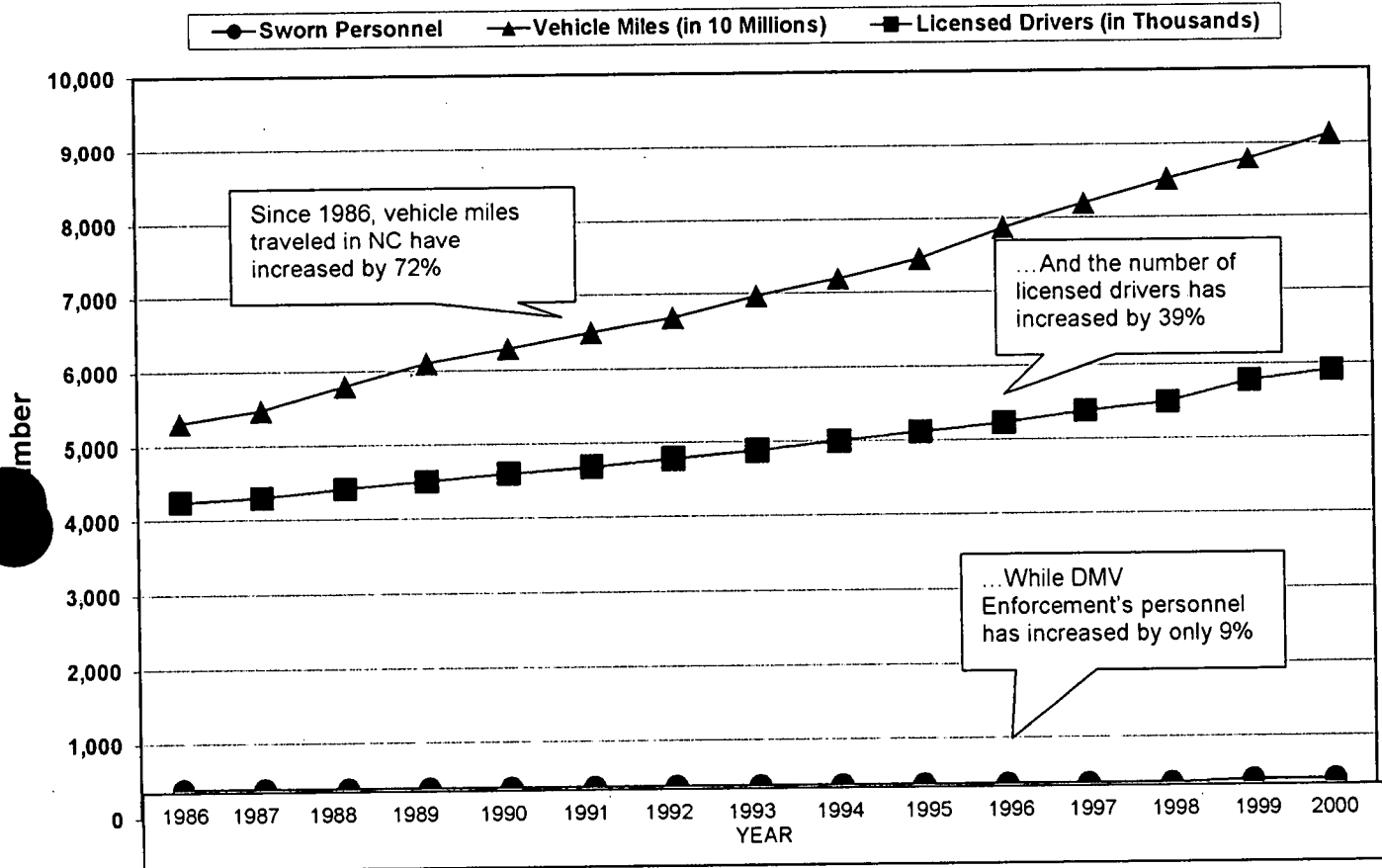
- In 1999 this Section was charged with the responsibility of providing a safer environment in the Work Zones for DOT personnel and the motoring public. The Department of Transportation provided the Section with 32 additional positions to accomplish this task.
- An average of 29 people die each year in North Carolina Work Zones
- In 1999, there were 26 fatalities
- Over the last 2 years DOT has lost 4 employees
- This assignment was given to the Enforcement Section as we are part of DOT and regularly meet with District Engineers on future work zone locations

WORK ZONE ACTIVITIES	TOTALS
Motor Carriers Inspected	10,101
Motorist Assisted	4,824
Citations (<i>Commercial Vehicles</i>)	4,427
Citations (<i>Private Vehicles</i>)	3,107
Warnings Issued	4,743
Vehicle Mileage	920,889
Crash Scene Assists	467
Over Weight Citations	1,019
Amount of Weight	7,314,586
Total Work Zone Hours	58,986

MAJOR ISSUES AND CHALLENGES

- One of the major challenges of the Enforcement Section is to efficiently utilize limited existing personnel in order to meet the Division of Motor Vehicle and the Enforcement Section's many responsibilities and the Secretary of Transportation's goals and objectives.

Changes in NC Traffic Demand and NC DMV Enforcement Personnel Since 1986



Other examples of the challenges facing DMV Enforcement are:

1. *Increasing presence at permanent weigh stations.*

- The Secretary of Transportation, as part of the DOT Truck Safety Package, committed to keeping DOT's permanent weigh station facilities open a minimum of 16 hours a day, 5 days a week to include Saturday and Sunday scheduling.
- The Enforcement Section is utilizing flex scheduling of its Officers to increase the operating hours at permanent weigh stations by approximately 6%.
- Because of the cross training of the CVSA officers and the continued commitment to support Truck Safety, it has require additional in-service training.

2. *Reviewing & reorganizing the Interstate Rest Area/Welcome Center patrol responsibility.*
 - The Enforcement Section has reduced stationary patrols at Interstate Rest Area/Welcome Center properties at non-peak, non-holiday times when traffic counts show that the number of vehicles utilizing these facilities are at a minimum.
 - These facilities will continue to be patrolled during peak holiday travel periods.
 - The Enforcement Section will maintain a presence by utilizing flex scheduling to make certain that the criminal element does not reintroduce itself to these areas.
 - Currently takes 78 officers per day to secure 44 rest areas/welcome center sites across the state, **which is 1/5 of our total manpower.**
 - The ability to track the daily activities of the officers will be utilized as a management tool to evaluate current and future operational needs of the section.

3. *Continuing to develop enforcement initiatives that will help in reducing commercial vehicle crash fatalities.*
 - These operations will be occurring in designated high crash corridors and DOT work zones.
 - Expanded 21 county "high crash zone" to 30 counties. Initial efforts reduced CMV related fatal crashes by 17 percent. While fatal crashes decreased in the other 79 counties during the 1998-99, the decrease in the 21 county region was 4 times that observed in the 79 county region.
 - The presence of DMV Enforcement patrol vehicles will reduce speeds of vehicles in these areas and increased inspections will take unsafe commercial vehicles off the highway.
 - For current statistics, **see Attachment 1.**

4. *Continue emphasis on protecting the state's infrastructure through an effective size and weight program.*

5. *Develop program for inspection of manufactured homes at manufacturer/dealer sites.*
 - Enforcement Section will inspect homes/trailers on site at rate of 2% per year (approx. 2000/yr.).
 - Work with industry on safety issues.

Other challenges---

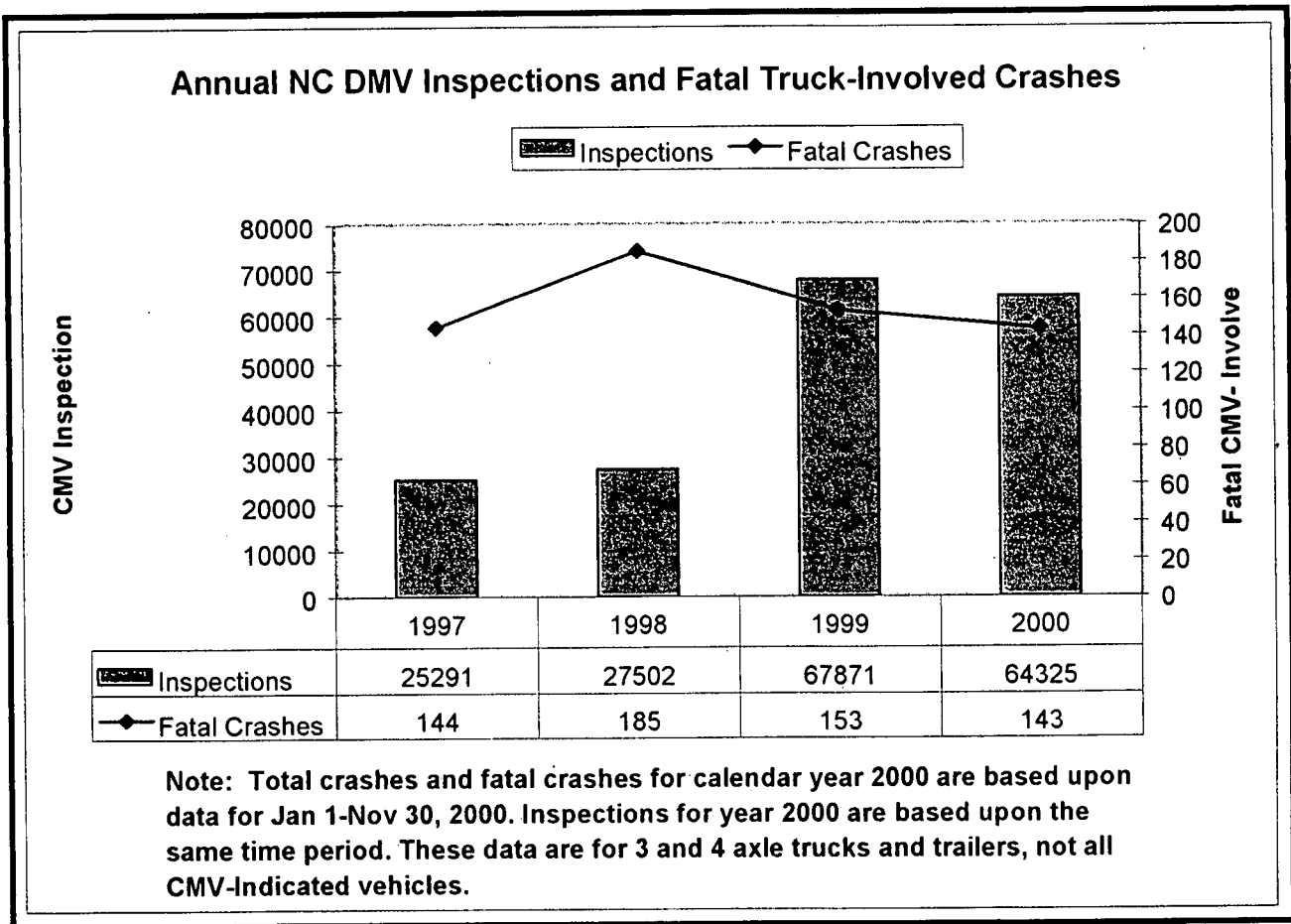
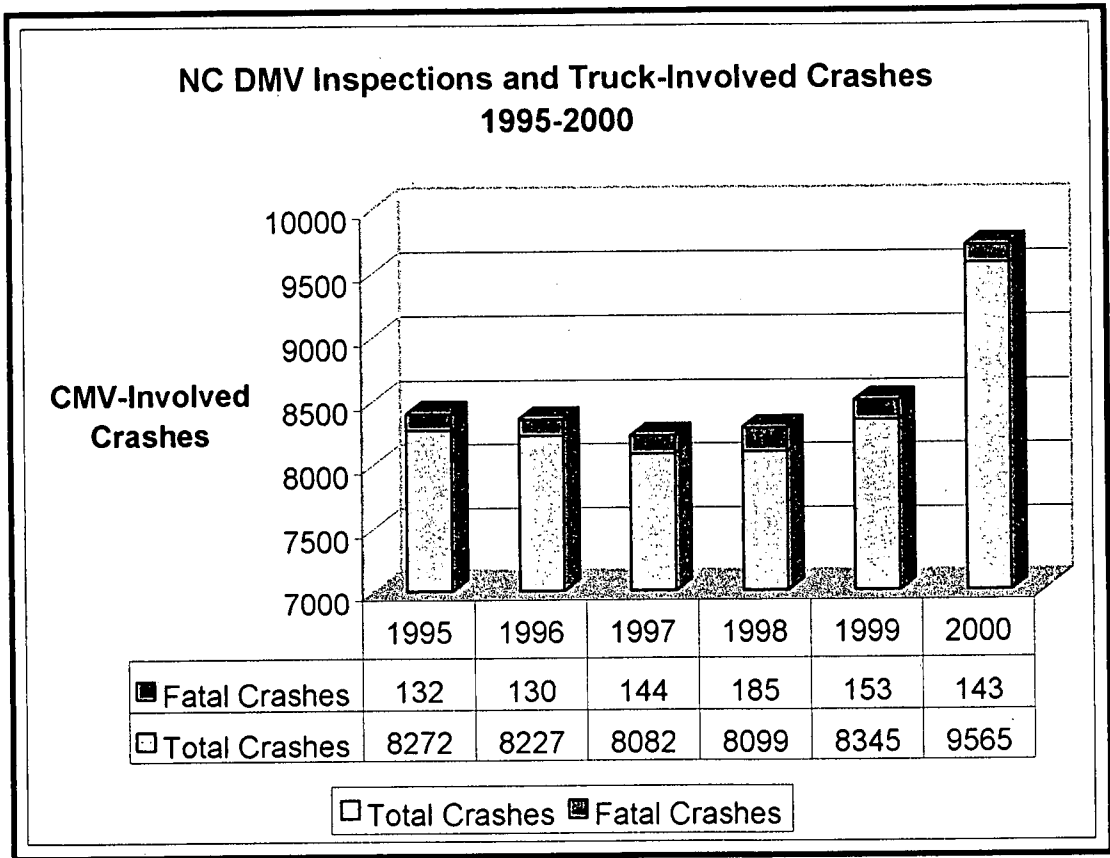
1. Enhancement of the Section's technology infrastructure to consistently meet agency needs, as well as customer expectations.
2. Train and prepare Enforcement Section personnel to operate in this new technological environment. One example of this is the development of a plan to enable the section to migrate into the CJIN network.
3. Increased responsibility but no increase in manpower.

Expansion Items Requested

CVISN – Commercial Information Systems & Networks

- The volume of North Carolina truck-based operations is recognized as one of the largest in the country. To this end, the goal of the North Carolina Commercial Vehicle Information Systems & Networks (CVISN) project is to improve commercial vehicle operations by reducing the administrative burden on motor carriers, focusing safety enforcement on high-risk carriers, and reducing congestion costs for the industry.
 - Conduct electronic screening at one side of one weigh station with transponder readers.
 - Main line weigh-in-motion equipment will permit electronic screening of commercial vehicles without stopping.
 - Safety Information Systems: Development of this system will provide officers conducting roadside inspections real time access of carrier information from federal and state databases via laptop computers.
 - Current commercial vehicle safety-related information will be made available online to all motor vehicle enforcement officers at weigh stations and in patrol vehicles.
 - Snapshot data will be provided from Safety and Fitness Electronic Records (SAFER) System, which includes information on a carrier's safety rating, inspection history and accident record.
- (\$ 2,071,200)

ATTACHMENT 1



0590 Enforcement - Emissions Program

MISSION AND FUNCTION

To ensure the State of North Carolina continues to enjoy the benefits of the compliance with Federal Clean Air Standards and to enforce all laws and regulations that have been enacted by the State of North Carolina which concern exhaust emissions testing and On Board Diagnostic (OBD) testing.

BUDGET/PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-2000
Personnel	\$1,870,031	\$1,930,916	\$2,026,514	\$2,458,025	\$2,604,196
Operating	997,991	806,237	2,641,725	3,063,239	\$2,542,274
Total	\$2,868,022	\$2,737,153	\$4,668,239	\$5,521,264	\$5,146,470
# Of Positions	44	44	44	44	45

- The North Carolina Emission Program began in 1982 in Mecklenburg County. Vehicles are tested and required to pass the Federal Carbon Monoxide Standards. Between 1986 and 1992, North Carolina added eight (8) more counties between 1991 –1992 to the emission testing requirements. These counties are in five (5) different DMV Enforcement Districts
- Emissions Counties
 - Mecklenburg Guilford Cabarrus
 - Gaston Orange Union
 - Forsyth Durham Wake
- Under the terms of the Clean Air Act Amendments of 1990, Environmental Protection Agency was required to establish minimum performance standards for Emission programs. These standards were published in the Federal Register Vol. 57, No 215 Part 51 and the NCDMV Enforcement is charged with implementing and enforcing these standards.
- This program is a receipt-funded program. The funding for the Enforcement Section Emissions program is \$1.80 per inspection and is found within the emissions inspection cost of \$19.40. Regular non-emissions inspection cost is \$9.25.

Inspection Fee Distribution		
Recipient	Safety Only Inspection	Safety and Emissions Inspection
Highway Fund	\$ 0.75	\$ 0.00
Emissions Program Account	\$ 0.00	\$ 1.80
Volunteer Rescue/EMS Fund	\$ 0.15	\$ 0.15
Rescue Squad Workers' Relief Fund	\$ 0.10	\$ 0.10
Division of Air Quality	\$ 0.00	\$ 0.35
Inspection Station	\$ 8.25	\$ 17.00
Total	\$ 9.25	\$ 19.40

SUCCESS STORIES

- Registration Denial was required to be in place by EPA no later than June 1, 1999. The program was started on April 1, 1999, one month ahead of schedule.

- The North Carolina Inspection/Maintenance Program is moving in a positive direction according to the EPA final report.
- Motorist compliance is over 90% in areas that have been surveyed by the Division of Air Quality.
- Effectiveness of covert audit program including a wide range of undercover vehicles, more effective tampering and rotation of undercover vehicles, and added training for DMV Emission Inspectors.
- Five (5) Day Notice of Violation to the Safety Inspection Stations and Mechanics. These notices inform them of a violation which could suspend or revoke the license within five (5) days of the conclusion of the investigation.
- Enhanced the training of the Community College Instructors.

MAJOR ISSUES AND CHALLENGES

- Incorporate a Federally mandated On Board Diagnostic (OBD) testing program in existing counties.
- Obtaining the necessary funding through sticker fee increases to implement and maintain program. The funding will be critical due to the changes and challenges the new program faces.
- To thoroughly inform the public through a public information campaign and gain the citizen's acceptance of the program.
- Implement the OBD program in thirty-nine (39) new counties listed below.

<i>July 2003</i>	<i>January 2004</i>	<i>July 2004</i>	<i>January 2005</i>	<i>July 2005</i>	<i>January 2006</i>
Catawaba	Alamance	Buncombe	Edgecombe	Caldwell	Brunswick
Cumberland	Chatham	Cleveland	Lenior	Haywood	Carteret
Davidson	Franklin	Granville	Pitt	Henderson	Craven
Johnston	Lincoln	Harnett	Robeson	Rutherford	New Hanover
Rowan	Lee	Rockingham	Nash	Stokes	Onslow
Iredell	Moore		Wayne	Surry	
	Randolph		Wilson	Wilkes	
	Stanley			Burke	

- Hiring and training new employees to audit and oversee the OBD program in new counties.
- Achieving a 95% or greater compliance rate.
- Collect outstanding penalties and debts owe by non-compliant motorists.
- Upgrade the North Carolina Safety Inspection Program to allow for real-time inspection data collection.
- Improve and modify the existing program applications to process the enhanced OBD inspection.
- Train DMV personnel on OBD inspections.
- Enhance the training level at the Community Colleges to be able to train mechanics to effectively and efficiently repair OBD failures.

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation
 Name of Committee

April 11, 2001
 Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Maurice King	OSBPM
Marinda Benton	NC DOT
Malcolm Alford	OSBPM
Pesa A. Dye	DOT - DMV
Edhel Keen	DOT - DMV
Bob Sanford	DOT - DMV
Carole Howard	DOT / DMV
Mike Bryant	DOT / DMV
Wayne Arden	DOT - DMV - Driver License
Hope Morgan	DOT / DMV
Major Chadwick Cook	NC State

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

April 11, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

MIKE SIZEMORE	NC DMV
Jim Edwards	NC DMV
John Rebin	NC DMV
George Cole	DMV
DAN RICHARDS	DMV
Ruth Sappie	DOT
VLM Bride	NCGA
Margaret Westbrook	Kennedy Covington
Jennie Faulkner	DMV
GILES PERRY	NCGA Staff
Bean Mills	Metro Coalition

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 12, 2001
9:00am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

State Highway Patrol (continued from April 3)

Colonel Richard W. Holden Sr.
Commanding Officer, State Highway Patrol

Greg McLeod
General Counsel, Department of Crime Control and Public Safety

Division of Motor Vehicles (continued from April 11)

Carol Howard
Vehicle Registration

Wayne Hurder
Driver License

Bob Sandford
School Bus/Traffic Safety Education

Rosa Gill
Traffic Records

MINUTES
JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
APRIL 12, 2001

The Joint Appropriations Subcommittee on Transportation met on Thursday, April 12, 2001, in Room 1228/1327 of the Legislative Building at 9:00 a.m. The following members were present: Presiding Chairman Jim Crawford, Representatives Blue, Coates, Cole, Davis, Dockham, Gulley, McAllister, and Sutton. Four Senate members were present. Staff to the committee, Giles Perry, Evan Rodewald and Bob Weiss attended. Representative Crawford introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

State Highway Patrol (continued from April 3)

Chairman Crawford introduced Colonel Richard Holden, Commanding Officer, to complete his presentation begun on April 3. Colonel Holden used a screen presentation and referred to p.8 of the April 3 handout. He explained some of the cost saving measures, grants from outside funding, and the SHP's response to the projected budget shortfall. The SHP received accreditation in July, 2000, the largest law enforcement in the state to receive this and has been recognized with other awards. Its primary outcome indicators are to reduce traffic-related collisions, traffic-related fatalities, and percent of total collisions alcohol/drug related.

Chairman Crawford introduced Greg McLeod, General Counsel, Department of Crime Control and Public Safety (handout), to explain the department's Highway Fund budget summary by purpose. A second handout gave responses to previous questions from the committee. Mr. McLeod reviewed each line item and what is included. Representative Cole asked for information on a price increase when Ford became the only supplier of rear wheel drive vehicles and performance of front wheel drive. The SHP will provide that information later.

Division of Motor Vehicles (continued from April 11)

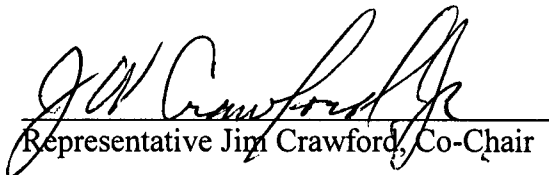
Chairman Crawford introduced Carol Howard, Director of Vehicle Section, DMV (reference April 11 handout, p.10). The section oversees titling and registration through two state agencies and 128 privately contracted tag agents. It supports the International Registration Program (IRP) which licenses and regulates the trucking industry and administers the continuous liability insurance requirements. Ms. Howard discussed the section's operating budget and performance indicators indicating that over the past five years, staff has been reduced by 142 positions. There are over 7 million vehicles registered and nearly 3 million titles processed. The number increases annually; however, many services are handled electronically. Title processing time has decreased from 3-4 months to 3-4 days. She described new ways of handling IRP, liability insurance tracking and enforcement, on-line dealer program, and new Internet license plate renewal (p.13). Challenges include: demand for alternative service options,

April 12, 2001

funding for expansion of internet transactions and credit card expenses, staggering commercial vehicle licenses, and implementation of IRP Internet renewal. Ms. Howard said permission had been given to include paid advertisements in their renewal notices.

Senator Gulley asked for details on the cost to the department of accepting and processing credit card usage and at what point would e-commerce become profitable to the state. He also asked for more information on DMV using advertisements in mailings for such a nominal return. Ms. Howard will provide that information later.

The meeting adjourned at 9:55 a.m.


Representative Jim Crawford, Co-Chair


Linda Winstead, Committee Assistant

**State Highway Patrol Responses to Questions From the
Joint Appropriations Subcommittee on Transportation**

Question: At what PAMA percentage levels are other state police agencies operating?

Based on a survey conducted by the Research and Planning Section, four states (Florida, Colorado, Kansas, and Washington) indicate they use the patrol availability performance objective, similar to North Carolina's Highway Patrol. The patrol availability performance objective is expressed as a percentage of the time that a trooper is immediately available to respond to a call for service. Florida utilizes a patrol availability objective of 70% and Colorado uses 85%. Kansas uses a patrol availability performance objective of 100% for the Kansas City-Metropolitan area and 67% for the remainder of the state. Washington utilizes 80% as its patrol availability objective. Not all states utilize this performance objective in PAMA. The SHP uses the patrol availability performance objective in order to ensure a prompt response to calls for service.

PAMA provides ranges of performance objectives that were used by agencies during the pilot testing of the PAMA model. Twenty-seven pilot agencies used the patrol availability performance objective to determine the number of troopers needed for patrol availability. The average percent of calls with an immediate response was 94.77%. Measures ranged from a minimum response level of 85% to a maximum level 99.9%. Based on these statistics it appears that North Carolina's performance objective value of 85% is in line with other agencies' metrics.

Using a performance objective of 85%, the SHP would need an additional 283 troopers and 65 line sergeants. While this represents a ratio of 4.35 to 1 (troopers to line sergeants), the total required personnel reported by PAMA indicates that the SHP would have 1,353 troopers to 193 line sergeants, which is a 7 to 1 ratio of troopers to line sergeants. The 7 to 1 ratio is the span of control used by the SHP. **Attachment 1** summarizes the SHP's current span of control. The first part of the attachment reflects the span of control of troopers to all uniformed field and staff personnel. The second part illustrates the span of control of troopers to all uniformed field personnel.

Question: What is the number sworn personnel by rank and where are they assigned?

See **Attachment 2**.

Question: In comparing increases in miles of travel to increases in sworn patrol personnel, why doesn't the SHP include increases in sworn personnel of DMV Enforcement?

The SHP and DMV Enforcement perform important, but distinct, roles in ensuring the safety of the motoring public. Although the officers of the SHP and DMV Enforcement are given broad powers as "peace officers", their primary duties are different¹. *N.C.G.S. §20-4* outlines the enforcement duties of the DMV. "The primary enforcement duty of the Division is the enforcement of the vehicle weight restrictions. . . The secondary enforcement duties of the Division are as follows and are listed in the order of importance: (1) Enforcement of the motor carrier safety regulations, (2) Enforcement of the emissions inspection program, (3) Inspection of

¹ See *N.C.G.S. §20-49*

salvage vehicles, (4) Providing security at rest areas. . .”² The SHP’s primary enforcement jurisdiction is much broader. *N.C.G.S. §20-188* states that the SHP “. . .shall regularly patrol the highways of the State and enforce all laws and regulations respecting travel and use of vehicles upon the highways of the State and all laws for the protection of the highways of the State.” The SHP also has the responsibility to investigate traffic collisions, including commercial motor vehicles involved in collisions. In the event that that commercial motor vehicle is involved in a collision, the SHP, and not, DMV Enforcement would investigate. **Attachment 3** provides information on increases in SHP and DMV Enforcement sworn personnel. **Attachment 4** summarizes increases in SHP sworn personnel by year.

² see N.C.G.S. §20-4

ATTACHMENT 1

**NORTH CAROLINA STATE HIGHWAY PATROL
SPAN OF CONTROL RATIO DATA
4 APRIL 2001**

ALL PERSONNEL (Field & Staff Personnel)	
Colonel	1
Lt. Colonel	2
Major	4
Captain	16
Lieutenant	29
First Sergeant	75
Sergeant	172
Trooper	1082
TOTAL	1381
All troopers vs. All ranks above trooper	3.62 to 1
All troopers vs. All Line Sergeants	6.29 to 1
ALL FIELD PERSONNEL (Excludes Staff Personnel)	
Lieutenant Colonel	1
Major	2
Captain	9
Lieutenant	16
First Sergeant	57
Sergeant	145
Trooper	1044
TOTAL	1274
All field troopers vs. All field ranks above trooper	4.54 to 1
All field troopers vs. All field Line Sergeants	7.2 to 1

ATTACHMENT 2

**NORTH CAROLINA STATE HIGHWAY PATROL
RANK BY COUNTY**

COUNTY	COL	LTC	MAJ	CAP	LT	FSG	SGT	TRP	TOTAL
Alamance	0	0	0	0	0	1	2	17	20
Alexander	0	0	0	0	0	0	1	5	6
Alleghany	0	0	0	0	0	0	0	4	4
Anson	0	0	0	0	0	0	0	7	7
Ashe	0	0	0	0	0	0	1	6	7
Avery	0	0	0	0	0	0	1	4	5
Beaufort	0	0	0	0	0	1	3	8	12
Bertie	0	0	0	0	0	0	0	4	4
Bladen	0	0	0	0	0	0	1	10	11
Brunswick	0	0	0	0	0	0	1	12	13
Buncombe	0	0	0	1	2	2	4	30	39
Burke	0	0	0	0	0	1	2	13	16
Cabarrus	0	0	0	0	0	1	2	17	20
Caldwell	0	0	0	0	0	1	1	11	13
Camden	0	0	0	0	0	0	0	4	4
Carteret	0	0	0	0	0	1	2	11	14
Caswell	0	0	0	0	0	0	1	5	6
Catawba	0	0	0	1	2	1	3	18	25
Chatham	0	0	0	0	0	1	1	10	12
Cherokee	0	0	0	0	0	0	1	6	7
Chowan	0	0	0	0	0	0	1	4	5
Cleveland	0	0	0	0	0	0	0	4	4
Columbus	0	0	0	0	0	1	1	12	14
Craven	0	0	0	0	0	1	2	11	14
Cumberland	0	0	0	1	2	1	5	30	39
Currituck	0	0	0	0	0	0	1	5	6
Dare	0	0	0	0	0	2	1	5	8
Davidson	0	0	0	0	0	1	2	19	22
Davie	0	0	0	0	0	0	1	9	10
Duplin	0	0	0	0	0	1	1	11	13
Durham	0	0	0	0	0	1	2	18	21
Edgecombe	0	0	0	0	0	0	3	8	11
Forsyth	0	0	0	0	0	1	3	23	27
Franklin	0	0	0	0	0	0	1	8	9
Gaston	0	0	0	0	0	1	2	21	24
Gates	0	0	0	0	0	0	0	4	4
Graham	0	0	0	0	0	0	0	4	4
Granville	0	0	0	0	0	0	1	8	9
Greene	0	0	0	0	0	0	1	4	5
Guilford	0	0	1	1	4	1	6	33	46
Halifax	0	0	0	0	0	1	2	10	13
Harnett	0	0	0	0	0	1	2	15	18
Haywood	0	0	0	0	0	1	1	11	13
Henderson	0	0	0	0	0	1	3	12	16
Hertford	0	0	0	0	0	1	2	5	8
Hoke	0	0	0	0	0	0	1	5	6
Hyde	0	0	0	0	0	0	0	2	2
Iredell	0	0	0	0	0	1	2	19	22
Jackson	0	0	0	0	0	0	1	7	8

ATTACHMENT 2

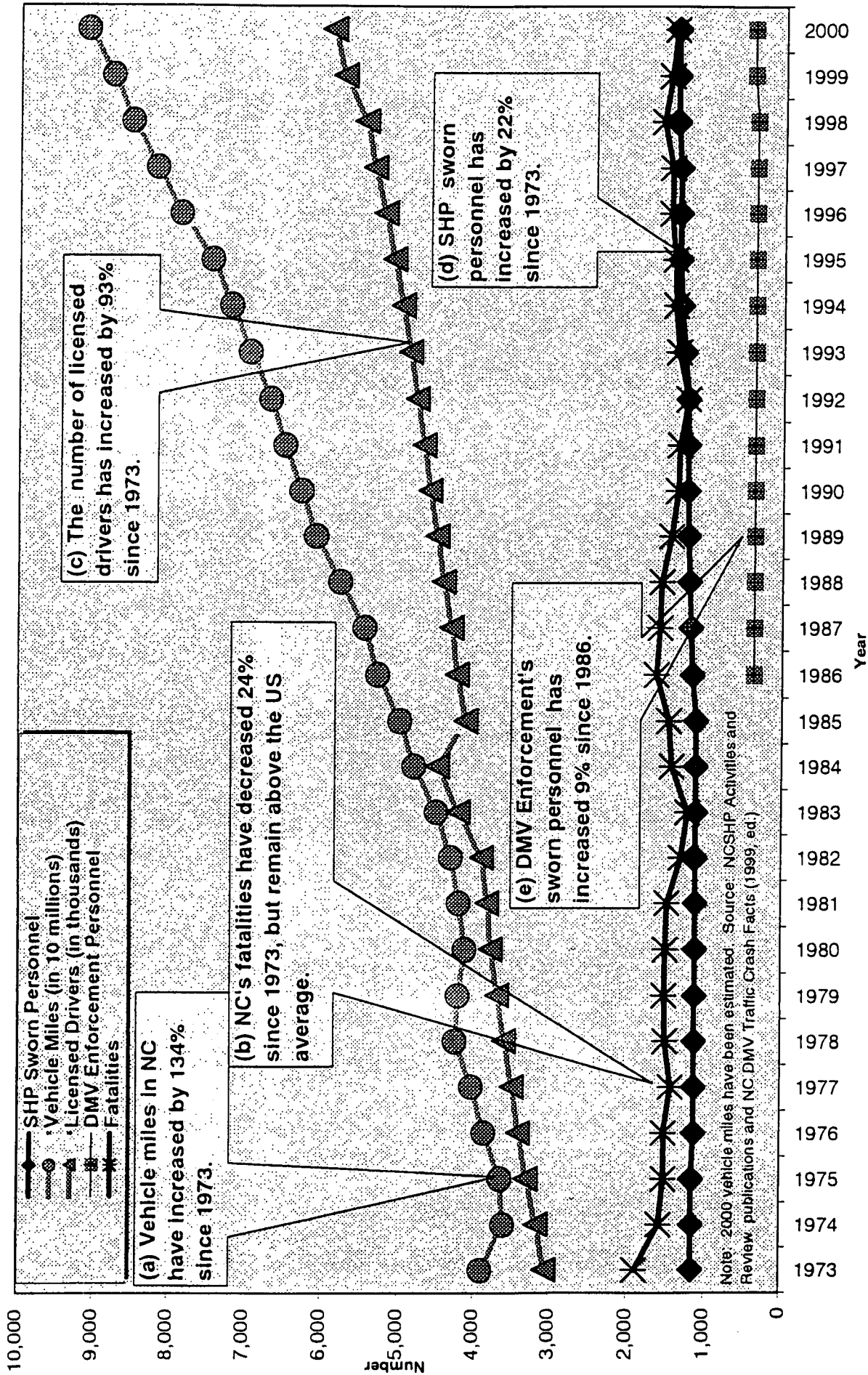
COUNTY	COL	LTC	MAJ	CAP	LT	FSG	SGT	TRP	TOTAL
Johnston	0	0	0	0	0	1	3	21	25
Jones	0	0	0	0	0	0	0	3	3
Lee	0	0	0	0	0	0	1	7	8
Lenoir	0	0	0	0	0	1	2	9	12
Lincoln	0	0	0	0	0	0	1	10	11
Macon	0	0	0	0	0	1	3	11	15
Madison	0	0	0	0	0	0	1	6	7
Martin	0	0	0	0	0	0	1	5	6
McDowell	0	0	0	0	0	0	1	5	6
Mecklenburg	0	0	0	0	0	1	4	30	35
Mitchell	0	0	0	0	0	0	0	4	4
Montgomery	0	0	0	0	0	0	1	6	7
Moore	0	0	0	0	0	1	1	11	13
Nash	0	0	0	0	0	1	1	15	17
New Hanover	0	0	0	0	0	1	1	13	15
Northampton	0	0	0	0	0	0	0	5	5
Onslow	0	0	0	0	0	1	2	17	20
Orange	0	0	0	0	0	0	1	11	12
Pamlico	0	0	0	0	0	0	0	3	3
Pasquotank	0	0	0	0	0	1	1	4	6
Pender	0	0	0	0	0	0	1	12	13
Perquimans	0	0	0	0	0	0	0	4	4
Person	0	0	0	0	0	1	2	7	10
Pitt	0	0	0	1	2	1	3	14	21
Polk	0	0	0	0	0	0	0	5	5
Randolph	0	0	0	0	0	1	2	18	21
Richmond	0	0	0	0	0	1	1	6	8
Robeson	0	0	0	0	0	1	3	22	26
Rockingham	0	0	0	0	0	1	2	14	17
Rowan	0	0	0	1	2	1	5	16	25
Rutherford	0	0	0	0	0	0	0	10	10
Sampson	0	0	0	0	0	1	2	14	17
Scotland	0	0	0	0	0	0	1	6	7
Stanly	0	0	0	0	0	1	1	9	11
Stokes	0	0	0	0	0	0	1	9	10
Surry	0	0	0	0	0	1	1	14	16
Swain	0	0	0	0	0	1	1	5	7
Transylvania	0	0	0	0	0	0	0	4	4
Tyrrell	0	0	0	0	0	0	0	3	3
Union	0	0	0	1	2	1	4	15	23
Vance	0	0	0	0	0	1	1	8	10
Wake	1	1	3	8	13	20	30	65	141
Warren	0	0	0	0	0	0	1	4	5
Washington	0	0	0	0	0	0	0	3	3
Watauga	0	0	0	0	0	0	1	8	9
Wayne	0	0	0	0	0	1	2	13	16
Wilkes	0	0	0	0	0	1	2	12	15
Wilson	0	0	0	0	0	1	1	11	13
Yadkin	0	0	0	0	0	0	1	7	8
Yancey	0	0	0	0	0	1	1	4	6
TOTAL	1	1	4	15	29	75	172	1082	1379

Note: Zone II Major has been reassigned from Guilford County to Patrol Headquarters in Wake County

ATTACHMENT 4: SELECTED NC TRAFFIC STATISTICS

Year	SHP Sworn Compliment	Compliment Percent Change	Vehicle Miles (10 million)	Veh. Miles Percent Change	Licensed Drivers (thousands)	Lic. Drivers Percent Change
1973	1,164	n/a	3,897	n/a	3,060	n/a
1974	1,164	0%	3,602	-8%	3,161	3%
1975	1,164	0%	3,640	1%	3,294	4%
1976	1,139	-2%	3,860	6%	3,403	3%
1977	1,138	0%	4,031	4%	3,490	3%
1978	1,138	0%	4,250	5%	3,599	3%
1979	1,138	0%	4,208	-1%	3,692	3%
1980	1,137	0%	4,123	-2%	3,777	2%
1981	1,137	0%	4,206	2%	3,831	1%
1982	1,137	0%	4,310	2%	3,903	2%
1983	1,137	0%	4,504	5%	4,215	8%
1984	1,137	0%	4,805	7%	4,490	7%
1985	1,137	0%	4,992	4%	4,123	-8%
1986	1,187	4%	5,288	6%	4,244	3%
1987	1,207	2%	5,460	3%	4,319	2%
1988	1,227	2%	5,778	6%	4,422	2%
1989	1,245	1%	6,088	5%	4,513	2%
1990	1,260	1%	6,275	3%	4,612	2%
1991	1,260	0%	6,489	3%	4,690	2%
1992	1,260	0%	6,680	3%	4,790	2%
1993	1,310	4%	6,949	4%	4,881	2%
1994	1,355	3%	7,192	3%	4,984	2%
1995	1,380	2%	7,445	4%	5,100	2%
1996	1,380	0%	7,861	6%	5,220	2%
1997	1,380	0%	8,183	4%	5,362	3%
1998	1,415	3%	8,515	4%	5,477	2%
1999	1,415	0%	8,777	3%	5,758	5%
2000	1,415	0%	9,111	4%	5,901	2%
Percent Increase '73-'00		22%		134%		93%

**Information for 2000 is as of October, 2000. The Patrol received an increase of 28 trooper positions that will take effect January 1, 2000, and therefore would be counted in 2001. Vehicle miles traveled for 2000 have been estimated at increasing 3.8% from 1999 - 2000 (this is based on the average annual increase of vehicle miles traveled from 1990-1999. Information for this chart came from *NCSHP Activities in Review* (1995, 1996, and 1997, ed.), *North Carolina Traffic Crash Facts* (1999 ed), and NC DMV Driver's License Section.



DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
HIGHWAY FUND BUDGET- BUDGET CODE 24960
SUMMARY BY PURPOSE
APRIL 11, 2001

<u>ACCT</u>	<u>DESCRIPTION</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
<u>REQUIREMENTS</u>					
531XXX	Personal Services	99,916,481	105,392,708	106,327,895	107,607,738
532XXX	Purchased Services	5,672,506	5,638,828	5,319,576	5,321,543
533XXX	Supplies	7,011,080	8,259,781	7,714,474	7,525,952
534XXX	Property, Plant, Equipment	23,396,395	12,689,005	14,067,992	15,289,992
535XXX	Other Expenses	4,384,491	4,813,640	4,617,027	4,617,027
536XXX	Aid & Public Assistance	25,000			
538XXX	Intragovernmental Transfers	5,210,040	757,236	614,755	614,755
	Total	<u>145,615,993</u>	<u>137,551,198</u>	<u>138,661,719</u>	<u>140,977,007</u>
<u>REVENUES</u>					
432XXX	Grants	18,911	241,520		
434XXX	Sales, Services, Rentals	5,501,061	4,284,561	4,801,561	4,928,061
435XXX	Fees, Licenses, Fines	356,356			
437XX	Miscellaneous	42,281	600	600	600
438XXX	Intragovernmental Trans	139,680,807	133,013,836	133,859,558	136,048,346
538XXX	Intragovernmental Trans	16,577	10,681		
	Total	<u>145,615,993</u>	<u>137,551,198</u>	<u>138,661,719</u>	<u>140,977,007</u>

VISITOR REGISTRATION SHEET

Joint Appropriations/Transportation
Name of Committee

April 12, 2001
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
HOLT WATTS	MOTOROLA
Wayne Hurd	DMV - DOT
Carol Howard	DOT / DMV
Leslie K. Dill	DOT / DMV
John Sandford	DOT / DMV
Harold Macomb	CCPS / NCSHP
John Morgan	DMV - DOT
MIKE SIFMARE	NC DMV
Ernest Call	DMV
V. L. McBride	YCA
Bill Brown	CCPS - Controller's office
Co. Noel	CCPS
MIKE HOBSON	SHP
David Munday	State Highway Patrol
JOHN C. IVARSSON SR	STATE HIGHWAY PATROL
W. M. Aubry	State Highway Patrol
Jim Edwards	DMV ENFORCEMENT
DAVID RICHARDS	DMV ENFORCEMENT
Ruth Safford	DOT
RICHARD ALDEN	SHP
ROBERT ZIMMERS	SHP
David Herby	OSBPM
Les Perry	NCGA
Janis Ramon	NCPTA
Beth Dwyer	alley associates
Beau Mills	NC Metropolitan Coalition
Abdel Derge	NCTA

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 16, 2001
4:00 pm
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Division of Motor Vehicles (continued from April 12)

Carol Howard
Vehicle Registration
Wayne Hurder
Driver License
Bob Sandford
School Bus/Traffic Safety Education
Rosa Gill
Traffic Records

Powell Bill/Aid to Municipalities

Calving Leggett
DOT

Transfers and Reserves
Transportation Operations

Wayne Stallings
DOT

General Services/Capital Budget

Cameron Lee
DOT

Joint Appropriations Subcommittee on Transportation
Monday, April 16, 2001
4:00 PM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 4:00 pm on Monday, April 16, 2001 in Room 1228 of the Legislative Building. Three Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Coates, Davis, Gulley and Sutton. Representative Bowie had an excused absence. Senator Wib Gulley presided.

Senator Gulley first asked Wayne Hurder, with the Driver License Division of the Department of Motor Vehicles (DMV) to give an overview of the Driver License Division (Handout #1, page 16). During the lengthy discussion that followed Mr. Hurder's presentation, some Committee members raised concern about the ease of obtaining a driver license.

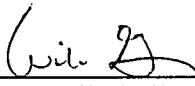
Next, Carol Howard with the Vehicle Registration Division of DMV, gave a brief report on the Internet transaction cost for tag renewal (Handout #2). Next, Ms. Howard finished her presentation from the April 12th meeting (Handout #1, page 14). Representative Sutton asked what affect would extending tags to 24 months have on tracking uninsured motorists? Ms. Howard said there would be some impact, but liability insurers would still send out termination notices. Representative Sutton then stated that motorists would continue to drive without insurance until their plates are picked up and DMV is greatly behind in picking up tags, and extending tags to 24 months would only make the situation worse. Ms. Howard replied that only 2% of the tags are picked up by enforcement because the motorists cannot be found.

Senator Gulley asked if advertising was allowed along with renewal forms, where would the \$200,000-400,000 anticipated revenue go? Ms. Howard said the money would pay for the courtesy renewal notices and help to fund E-commerce at DMV. Senator Gulley asked staff to prepare a special budget provision stating that the revenue should be put to the best possible use.

Next, Senator Gulley asked Bob Sandford, Assistant Director of School Bus/Traffic Safety Education Division of DMV to give his report (Handout #1, page 20). Representative Davis asked if there had been a decrease in accidents when the State went to all adult school bus drivers? Mr. Sandford replied that there was a slight decrease in accidents, but medical conditions of adult drivers was more of a problem now. Senator Gulley asked staff to look at the \$25 fee for the Defensive Driver Course to determine if there should be an increase in the fee and, if so, how much.

Finally, Rosa Gill with the Traffic Records Division of DMV gave a brief report on that Division (Hand out #1, page 22).

The meeting was adjourned at 5:30 PM



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

DIVISION OF MOTOR VEHICLES

North Carolina Department of Transportation



Overview

www.dmv.dot.state.nc.us

DIVISION OF MOTOR VEHICLES

Mission

- The DMV Team delivers quality motor vehicle services, promotes highway safety, and furnishes timely and accurate information by providing excellent customer service, enforcing motor vehicle laws, and maintaining the integrity of official DMV records.

Vision

- By 2003, North Carolina's Division of Motor Vehicles will be the most fully integrated, technologically advanced, customer driven motor vehicle services and highway safety system in the country.

Values

- Effective Communication
- Employee Development
- Openness & Honesty
- Accountability
- Continuous Improvement
- Teamwork

Short Term Strategies

- Use Technology Effectively
- Improve Communication & Education
- Improve Physical Facilities
- Improve Personnel Hiring & Development Practices
- Expand & Improve Customer Services
- Promote Strategic Investments
- Develop A Quality Assurance System

Long Term Strategies

- Improve Accountability
- Improve Accessibility
- Reduce Cost
- Reduce Time
- Improve Professionalism

DIVISION OF MOTOR VEHICLES

DMV Overall 1999-2000

7.3 million registered motor vehicles

6 million licensed drivers

1,844 employees statewide

539 sworn law enforcement officers

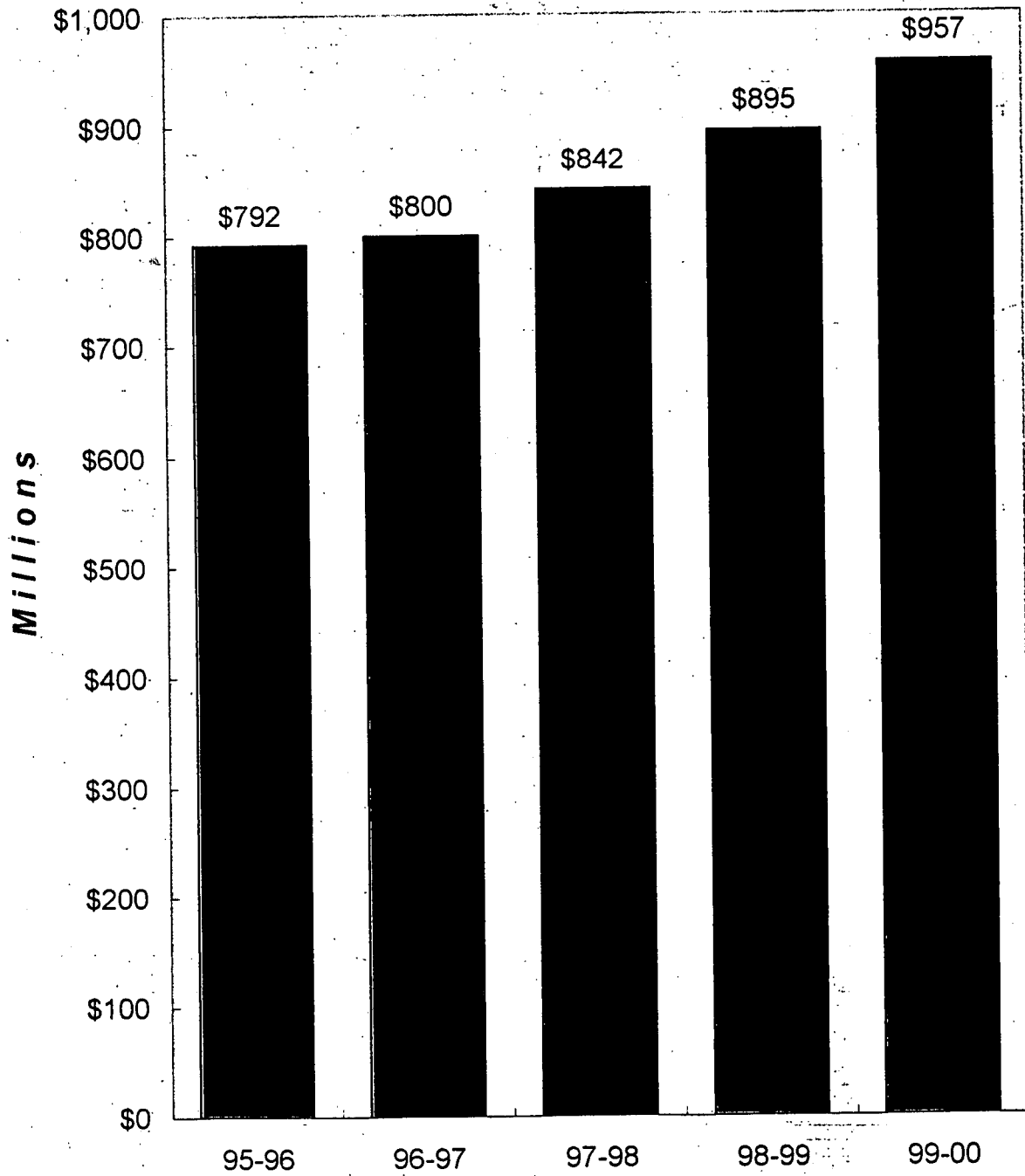
11,235 motor vehicle dealers regulated

\$957 million collected

NC Division of Motor Vehicles

Revenue Collected

1995-96 through 1999-2000

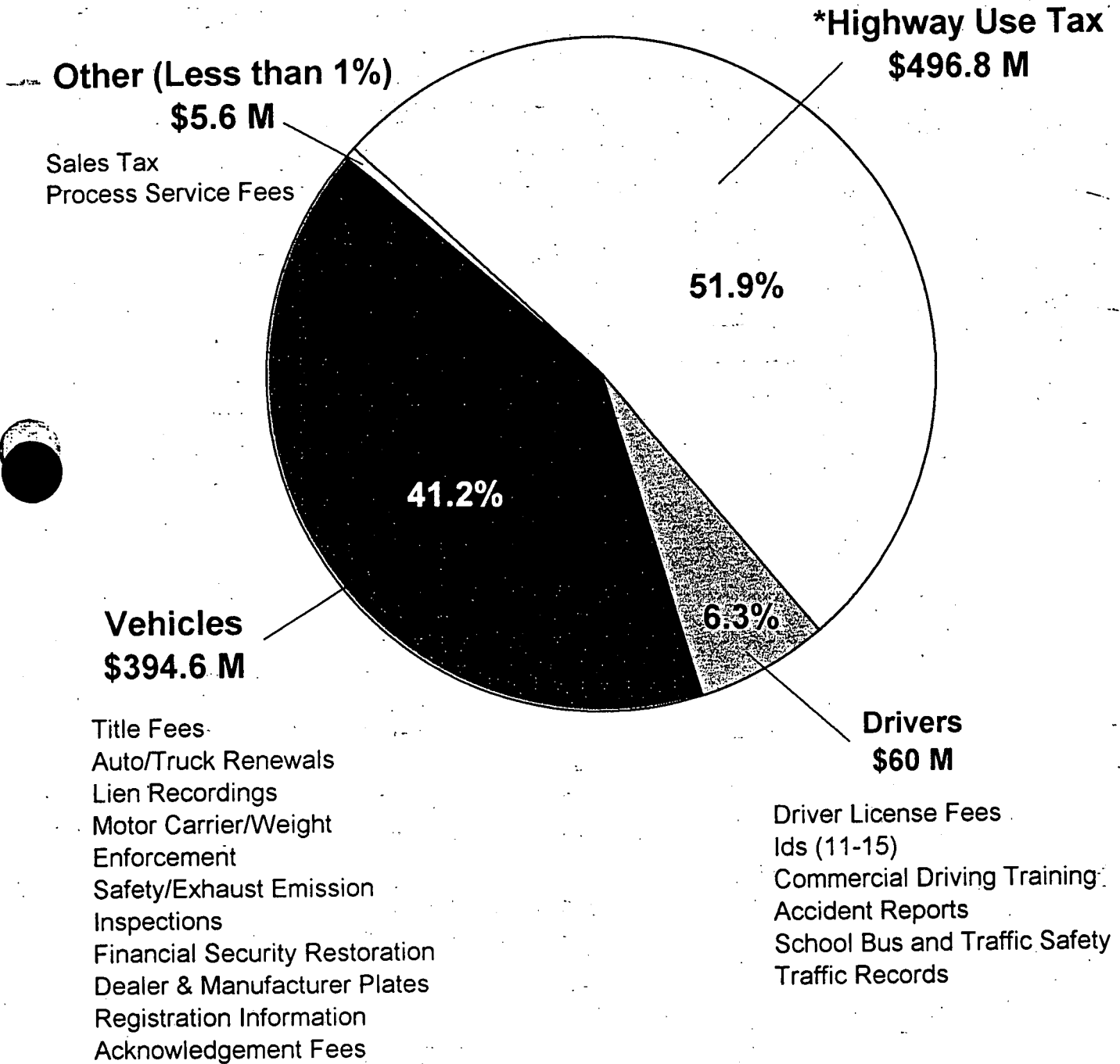


NC Division of Motor Vehicles

Revenue Sources

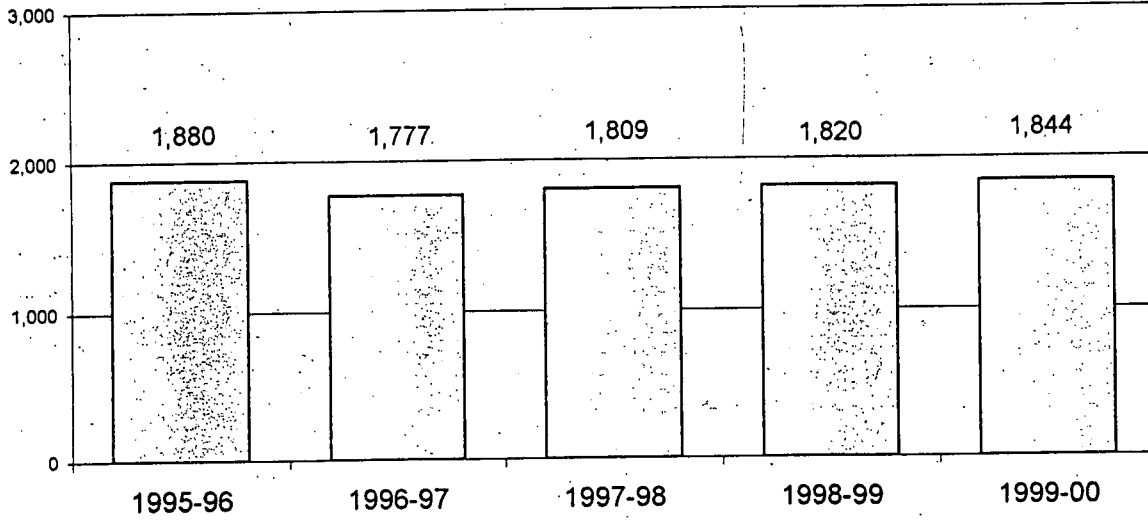
1999-2000

Total \$957 Million

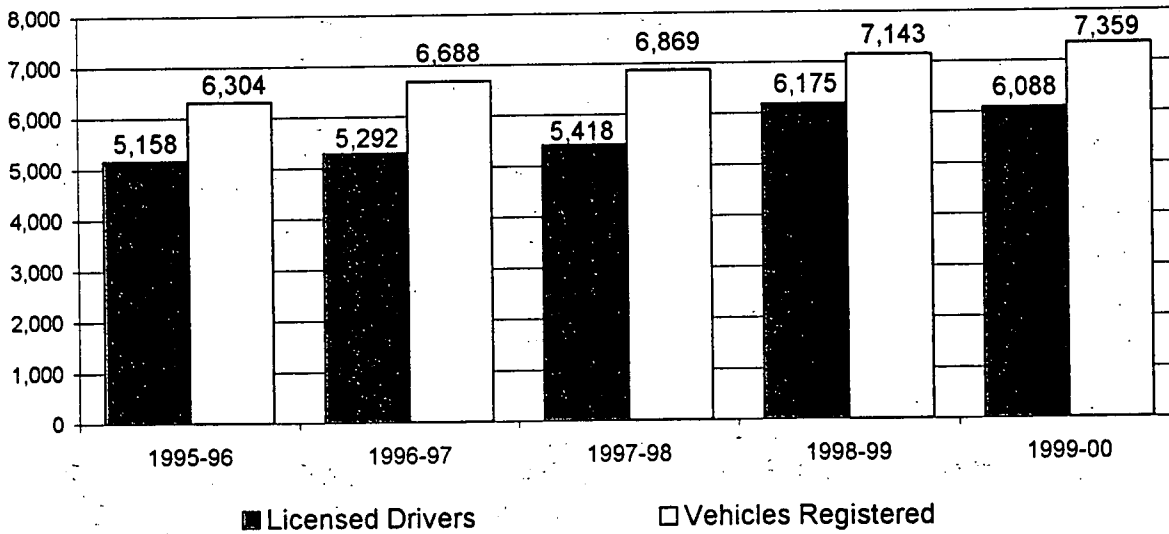


* Note: Only depicts portion of Hwy. Use Tax collected by Div. Of Motor Vehicles. Collection made by the Dept. of Revenue outlined in G.S. 105-187.5 not included in this total.

**NC Division of Motor Vehicles
Number of Positions**



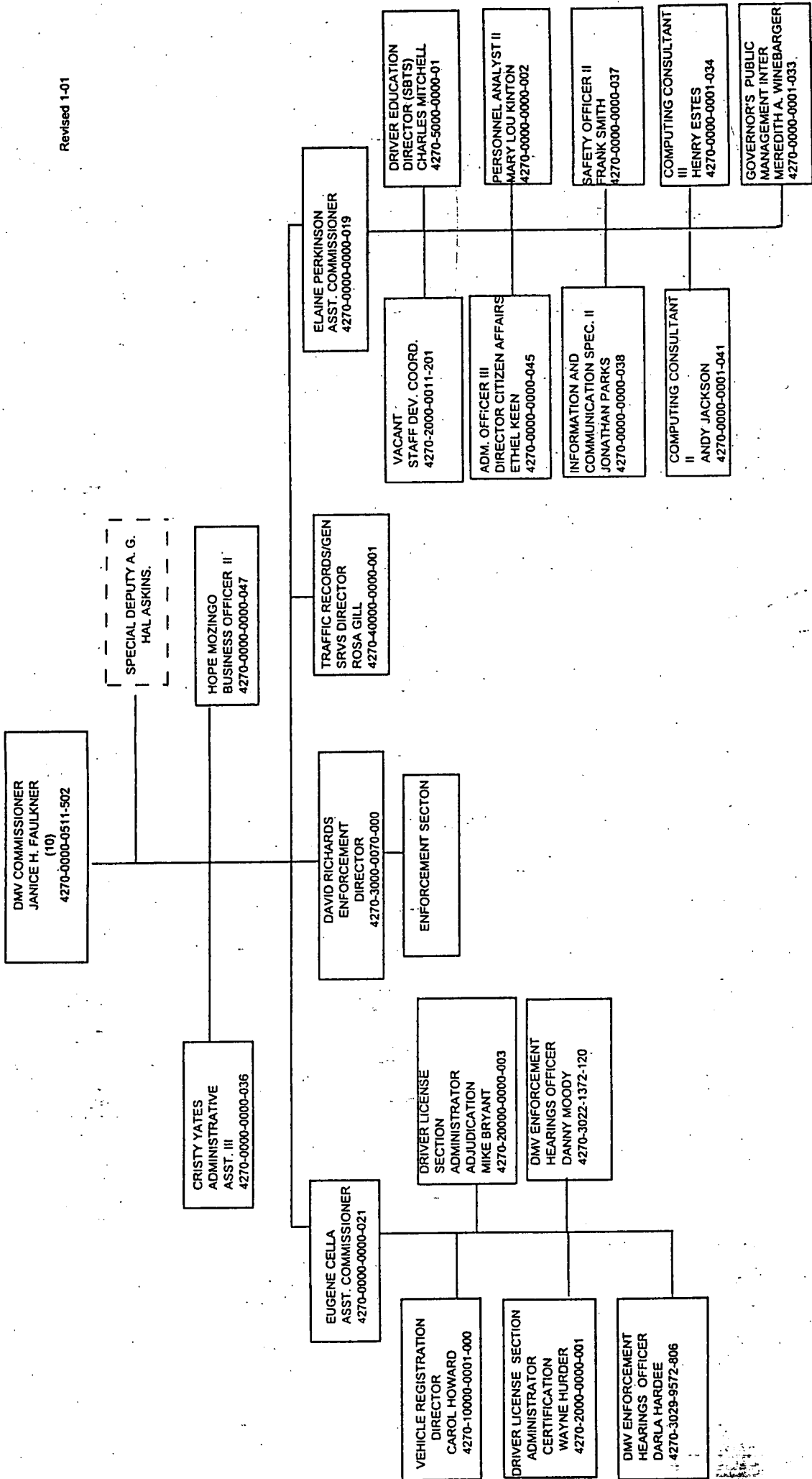
**NC Division of Motor Vehicles
Licensed Drivers and Vehicles Registered
(In Thousands)**



DIVISION OF MOTOR VEHICLES
ORGANIZATIONAL CHART

SIGNATURE _____
TITLE _____

Revised 1-01



0510 Commissioner's Office

MISSION AND FUNCTION

The Commissioner's Office provides overall policy, management and administration of the Division of Motor Vehicles and the 1,844 employees.

The Commissioner's Office is responsible for:

- Short and long-range planning
- Legislative program
- Personnel actions
- Budget requests
- Safety planning
- Telecommunications

BUDGET AND PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-00
Personnel	\$1,198,294	\$ 815,352	\$1,006,112	\$1,171,062	\$1,253,152
Operating	\$6,594,940	\$1,370,778	1,137,927	\$ 1,089,945	\$2,776,085
Total	\$7,793,234	\$2,186,130	\$2,144,039	\$2,261,007	\$4,029,237
# of Positions	34	16	19	27	31

- FY95-96 includes personnel, postage and equipment costs for the DMV General Services Section that was transferred to DOT. Also includes funds for the purchase of the VRU and SADLS programming.
- FY97-98 began the consolidation of functions that serve the entire division under the umbrella of the Commissioner's Office. Initial reorganization began with Personnel.
- FY98-99 includes funds to support Department of Justice attorney and support positions assigned to DMV budgeted at \$521,850 or 48% of the operating budget.
- FY99-00 includes funding in the amount of \$1,486,889 to purchase a Telecommunication System for the Division.
- Personnel in the Commissioner's Office include:
 - Commissioner - 1
 - Assistant Commissioners - 2
 - Budget - 2
 - Personnel - 8
 - Safety - 1
 - Public Information - 1
 - Organization Development - 1
 - Staff support - 4
 - Citizen Affairs - 9
 - Gov. Public Mgt. Fellows Program - 1
 - Telecommunications - 1

MAJOR ISSUES AND CHALLENGES

- Public Records and Privacy Acts
- Telecommunication System
- Workforce Development

Citizen Affairs Section

Created in February 1996, this office provides assistance to all sections within DMV, providing employee training and incentives, serving as liaison for the non-English speaking population, and addressing customer inquiries. On average, the Citizen Affairs section serves more than 355 walk-in customers daily and handles hundreds of telephone calls.

Customer Service

- Document research and address customer inquiries in a timely manner
- Develop and share customer service information with all sections
- Provide service oriented training opportunities to headquarters and field offices
- Developed and maintains a customer tracking system for citizen concerns
- Publish the MOTOR MOUTH

Direct Service for NC Clerks of Court

- Provides immediate services to DMV records for Clerks and Court officials in all counties
- Eliminates the wait for additions and revisions to court records
- Provides training in cooperation with the Administrative Office of the Courts
- Issues user identifications and serves as system liaisons between the court and DMV
- Maintains user database impacting over 900 users.

Information Desk

- Greets the public and provide assistance as needed
- Provides continuous service during hours of operation
- Directs customers to services within the building
- Answers general questions
- Provides information and directions to other DMV locations and state office buildings as requested
- Distributes agency brochures, handbooks, maps, employment applications and other information
- Monitors use of first-aid room and first-aid supplies

Assistance to Hispanic Customers

- Provide an interpreter for Hispanic customers for hearings, title and registration, insurance, and driver license needs
- Translate written material for all sections and customers. This service is provided for walk-in customers, by telephone and facsimile

Agency Operator

- Provides operator assistance for telephone customers
- Transfers calls to appropriate service areas
- Provides continuous service during hours of operation

0520 Vehicle Registration

MISSION AND FUNCTION

The Vehicle Registration Section

- (1) delivers quality titling and licensing services,
- (2) furnishes timely, accurate information,
- (3) provides excellent customer service,
- (4) maintains the integrity of official vehicle registration records.

The section provides services through two state offices (Raleigh and Charlotte) and 128 privately contracted license plate agencies. The private contract agents employ over 500 individuals. The section supports the International Registration Program (IRP) which licenses and regulates the trucking industry, and also administers the continuous liability insurance requirements for North Carolina citizens.

BUDGET AND PERSONNEL TRENDS

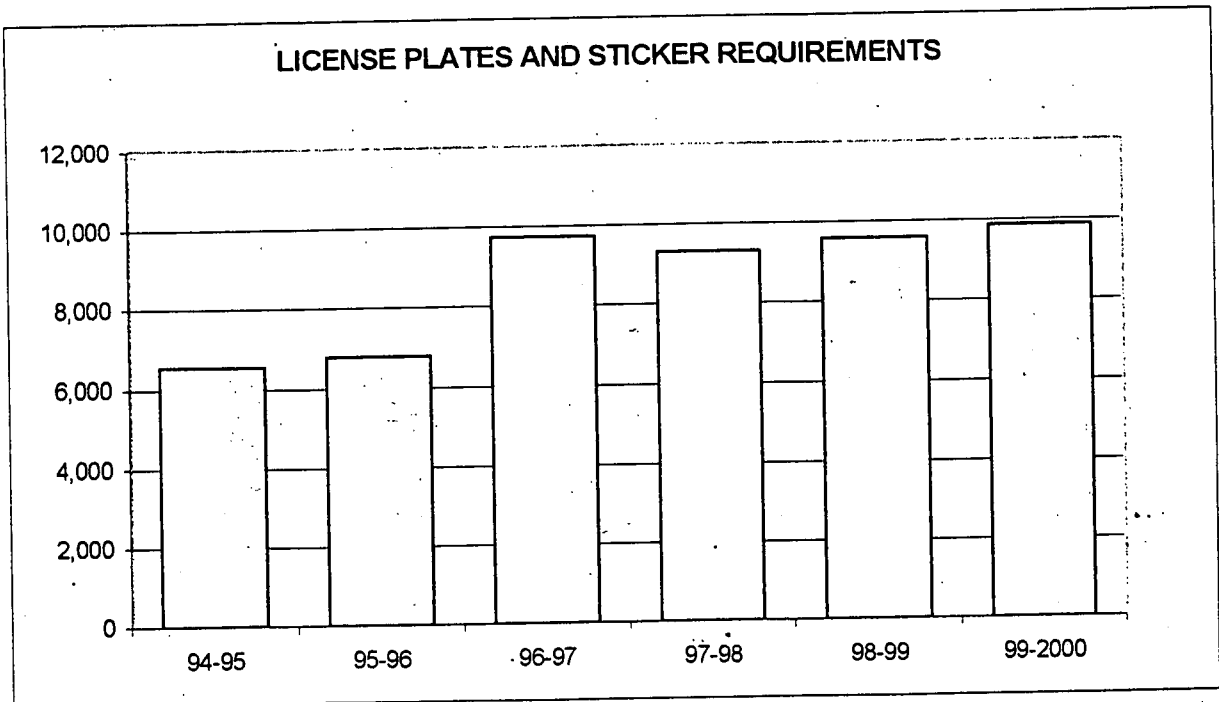
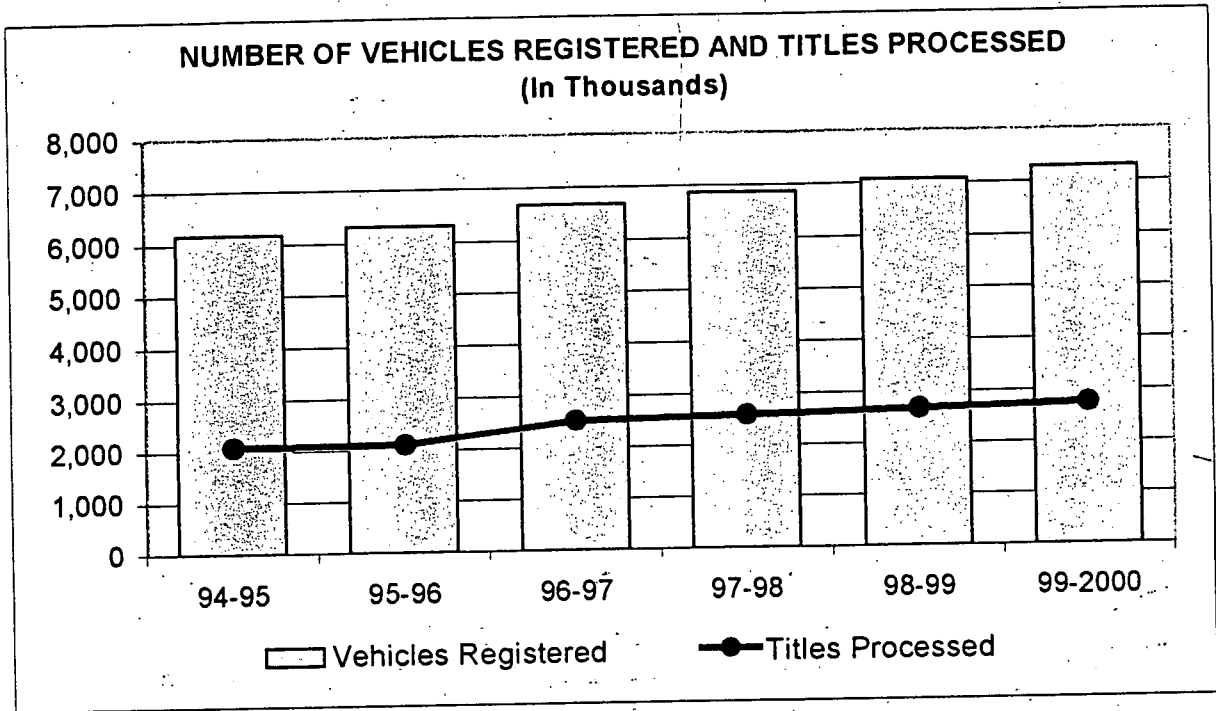
	95-96	96-97	97-98	98-99	99-00
Personnel	17,132,155	15,744,013	15,143,463	15,513,933	14,351,091
Operating	16,128,809	18,427,475	20,525,367	22,668,572	21,204,422
Total	33,260,964	34,171,488	35,668,830	38,182,505	35,555,513
# of Positions	584	498	461	461	442

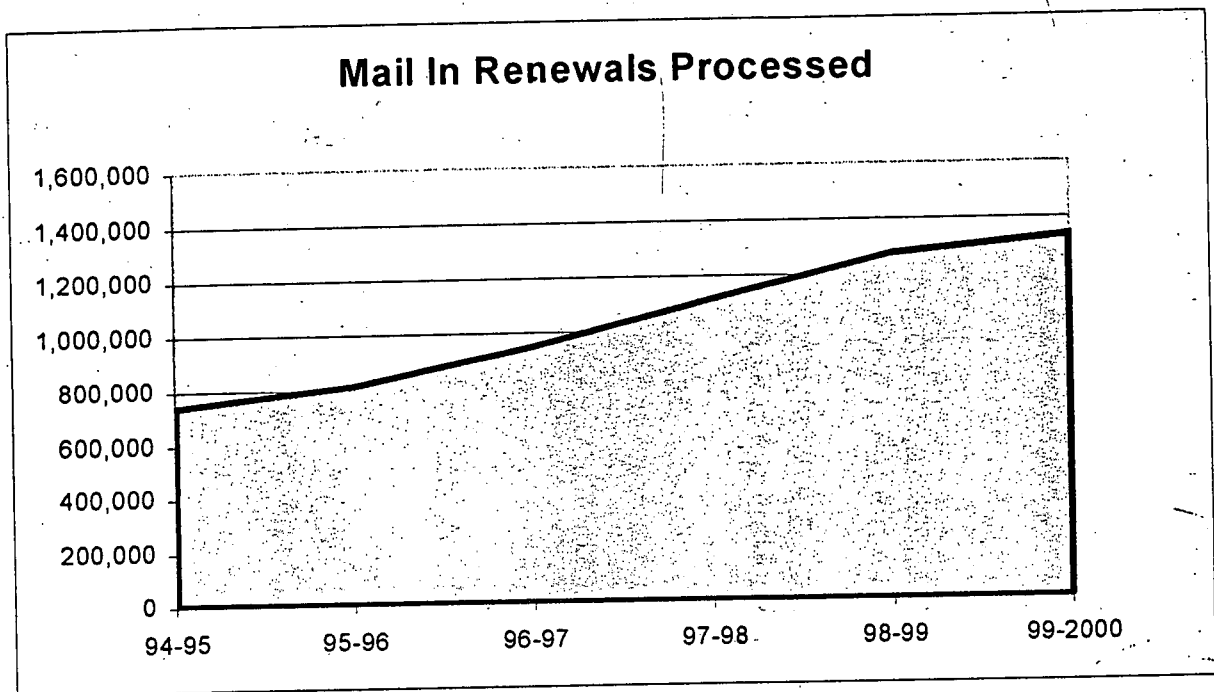
FY 99/00

- 38% of the overall operating budget is for branch agent's compensation.
(If the branch agent's compensation increased 6%, this would be an additional cost of \$793,591).
- 12% of the overall operating budget pays for license plates and validation stickers.
- 50% for remaining operations

PERFORMANCE INDICATORS

- Number of vehicles registered will increase as population increases (7.3 million vehicles registered FY99-00)
- Number of titles processed will increase as a result of population increase (2,674,017 processed FY99-00).
- Number of plates and stickers issued will increase as vehicle base increases.
- Percentage of mail-in renewals will increase as customers seek alternative solutions to prevent having to walk into an office (23% of total renewals in FY99-00).





SUCCESS STORIES

STARS, State Title and Registration System Implemented December 1996

- Section operating more efficiently with a reduction in personnel of **142 positions in the last five years.**
- Automation of processes has reduced title processing time from 3 to 4 months to 3 to 4 days.
- Wait time for customers has been reduced in most areas.
- Bar code technology utilized for license renewal and in the vehicle inspection program.
- N. C. was first state to print vehicle tag number on blank renewal sticker by laser printer at each individual workstation.
- STARS System considered a model system and has been demonstrated to 14 other states.

New IRP (International Registration Plan and Motor Carrier Computer System Successfully Implemented August 1999

- IRP transactions can be offered to the public in 35 private contract offices thereby improving customer service for the trucking industry.
- Design will support a staggered renewal system for trucks, which should improve efficiency and reduce costs.

New Liability Insurance Tracking and Enforcement System Successfully Implemented August 1999

- New legislation implemented October 2000, which requires insurance companies to submit new policy information in addition to notice of termination, which will improve customer service by reducing unnecessary contacts with citizens.
{By comparing the new business against the cancellations, we project that we may reduce the number of letters to citizens by 350,000 in a one-year period.
- Automates processes such as scheduling of hearings.

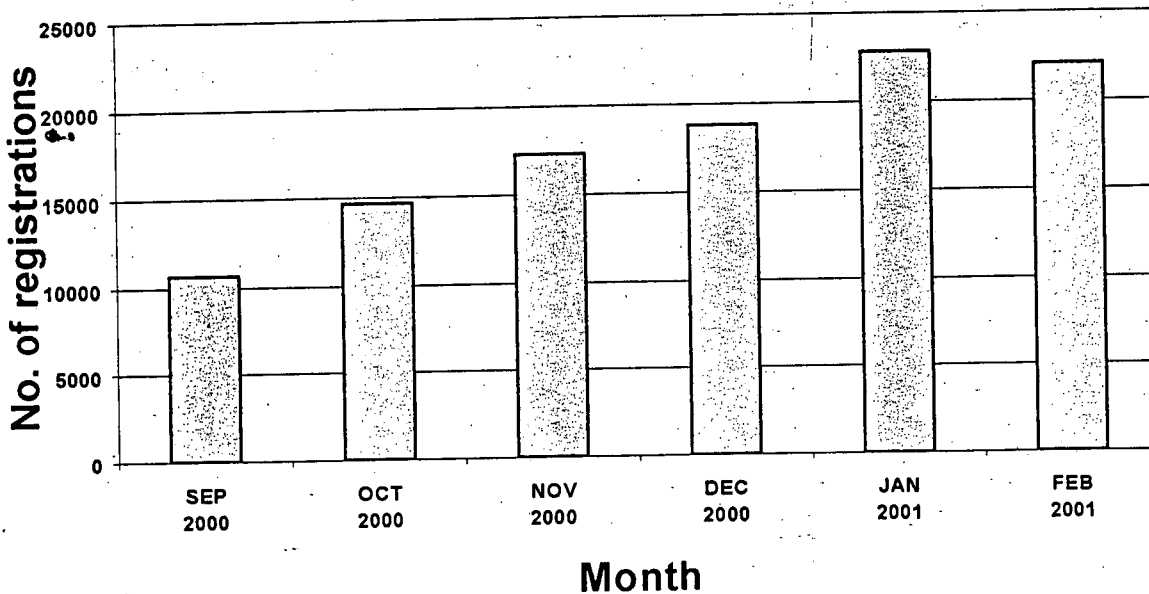
Implemented an On-Line Dealer Program for NC Automobile Dealers in 2000

- Participating dealers actually process the title and license applications for the Division. They maintain an inventory of license plates and actually issue the plate when the customer purchases a vehicle, thereby eliminating the need to take the work to a License Plate Agency.
- 68 Dealers participating by 2-28-2001 and additional dealers are added each month.
- Section received CPI Award for dollar savings for the new program.

Rolled Out New Click@DMV – Internet License Plate Renewal September 1, 2000

- Overwhelming response with over 106,000 renewals processed in first six months with 200,000 renewals projected for first twelve months.
- Duplicate Registration option added on March 23, 2001.
- Hope to add the ability to reserve personalized or special plates later this year.
- This month, as a pilot, we have offered Wake County residents the option of renewing their plate by telephone.
- First Application for DMV involving acceptance of credit cards.

DMV Vehicle-Internet Registration Renewals



MAJOR ISSUES/CHALLENGES

- Keeping up with public demands for alternative service options.
- Method of funding for expansion of Internet transactions and credit card expenses. {Advertisers willing to pay to include their advertisements in our monthly renewals. At no cost to us, we could potentially receive over \$300,000 in payment}.
- Staggering of commercial vehicles to equalize section's workload (legislation will be required). Productivity Management currently studying change in revenue stream as a result of staggered expansion. {Currently, commercial plates must be renewed each year in January and February. Staggering the renewal would allow us to divide the workload into 10 months, rather than 2 months}.
- Implementation of IRP Internet Renewal project expected by July 1, 2001. {Project has been delayed as a result of a freeze placed on the funds that were to be used for the project}.

EXPANSION ITEMS REQUESTED

Vehicle Registration Customer Merge Program (\$480,000 - FY2002-03)

- The advantage of the requested V.R. Customer I.D. Merge Database at D.M.V. is to create one record for a customer. Since customers have not always completed registration on vehicles using the same name as reflected on their driver's license, many customers have multiple records/files with D.M.V. It is essential that records be combined so that stop's, points on driving records, crash records and other D.M.V. related information all correspond with the correct citizen. Vehicle Registration does not have the technical capability to merge existing files.

This will require Information Technology Systems (ITS) resources for analysis of user requirements and design to accommodate linking the customer I.D. information in a manner that can be effectively utilized by Vehicle Registration, Drivers License, Enforcement and Crash.

Delaying this project will result in increased costs due to the continued contamination of our growing database.

0530 Driver License

MISSION AND FUNCTION

Mission: "The Driver License Section will deliver quality driver license services, promote highway safety and furnish timely and accurate information by providing excellent customer service, enforcing motor vehicle laws and maintaining the integrity of official Driver License records."

The function of the Driver License Section covers these core responsibilities:

- Assess the physical and mental capacity of customers to drive safely
- Conduct driver license examinations and issue licenses or ID cards
- Train and monitor both state and third-party commercial driver license examiners
- Suspend driver licenses and reinstate licenses
- Develop driver license handbooks, testing materials, and training materials

BUDGET AND PERSONNEL TRENDS

	1995-96	1996-97	1997-98	1998-99	1999-2000
Personnel Costs	\$16,539,323	\$18,112,501	\$18,289,260	\$20,922,742	\$20,122,977
Operating Costs	5,082,195	4,438,449	6,421,853	7,704,573	6,823,779
TOTAL	\$21,621,518	\$22,550,950	\$25,050,588	\$28,627,315	\$26,946,756
# of Positions	541	551	584	595	600

Changes in Number of positions reflect following actions:

- As of June 30, 1995, 55 positions data entry/clerical positions eliminated due to implementation of SADLS
- As of June 30, 1996, 4 new examiner positions for new office in Cary
- As of June 30, 1997, 10 new examiner positions for new office in East Charlotte
- As of June 30, 1998, 31 new examiner positions due to graduated driver license and Driver License staffing study and 2 clerical positions for impact of Driver Privacy Protection Act
- As of March 10, 1999, 11 new examiner positions for impact of graduated driver license and staffing study.
- As of March 10, 1999, total of 595 positions
- As of June 30, 2000, a total of 600 positions including five medical review personnel transferred from the Department of Health and Human Services.

- Of 600 positions, 592 position are involved in providing direct service with external customers on a daily basis.

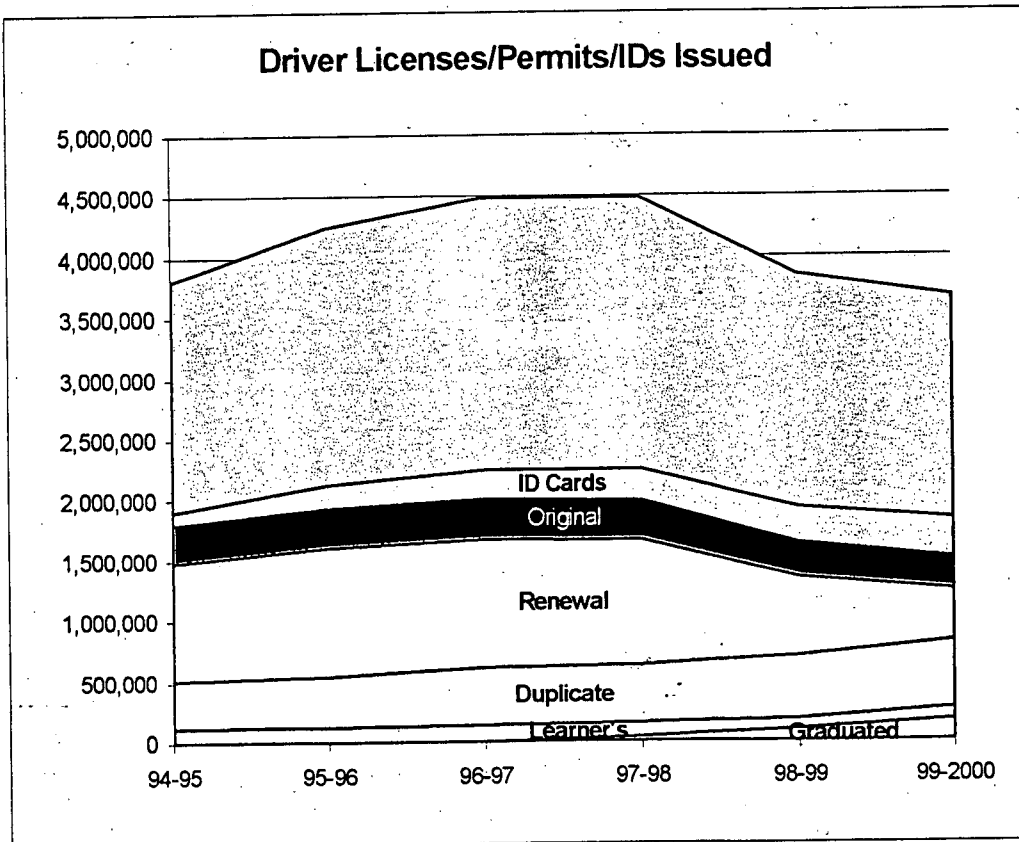
Driver License Section is administered through two branches:

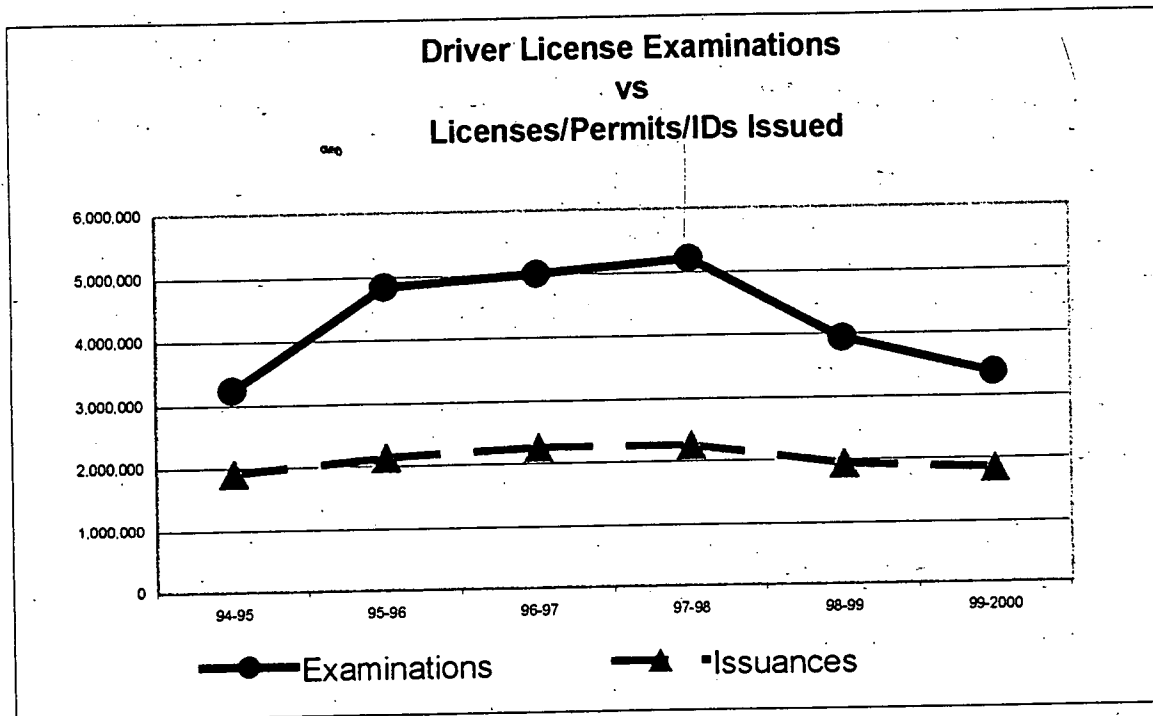
- Certification Branch (Wayne Hurder) responsible for issuance of classified driver license (which includes graduated license), ID cards, and the federally mandated Commercial Driver License (CDL).
- Administration/Adjudication Branch (Mike Bryant) responsible for suspension of drivers; hearings for drivers; medical evaluation of drivers; telephone room; budget, supply and audit.

Key components of operating budget are travel (2236, 2237), telephone (2322), rent (2330), uniforms (2412) and driver license per issuance fee (2524):

<u>Line item</u>	<u>1999-2000</u>	<u>% of Total Operating Budget</u>
Travel (2236, 2237)	\$707,694	10.4%
Telephone (2322)	\$767,875	11.3%
Rent (2330)	\$490,772	7.2%
Uniforms (2412)	\$88,450	1.3%
DL Issuance Fee (2524)	\$1,950,517	28.6%
TOTAL	\$4,005,308	58.8%

PERFORMANCE INDICATORS





- Original issuances will rise about 2% annually
- Number of renewal customers declines dramatically CY99 and increases every year after back to "normal" level after 2002
- Duplicate licenses and IDs may increase faster than population growth due to increased reasons for suspension of licenses, more mobile population, and influx of non-English speaking customers

SUCCESS STORIES

- Mobile Service Center has expanded to 20 sites as a result of requests from communities. Service provided at State Fair, Dixie Classic Fair, and Western North Carolina Fair. It was used in Tarboro in late 1999 to assist with Hurricane Floyd relief and in Charlotte during the summer of 2000 to aid with overcrowded offices. The services to the 20 sites represents a net annual "cost avoidance" savings of \$160,000, based on the cost that would be entailed in having fixed-site service at each of these locations:
- For the first time, the American Association of Motor Vehicle Administrators has accredited the Driver License certification program. The Section has been accredited for both certified driver license testing and the commercial driver license testing. North Carolina is one of only seven states with both accreditations.
- Over 56,000 CDL skills tests were administered under the third-party tester program which allows the private sector and other public agencies to skills-test their own drivers, with training, oversight and auditing performed by the Driver License Section. Had this testing been conducted by Driver License examiners, it would have required 51 additional examiner positions.

- Automated Knowledge Testing (driver license test) have been installed in 23 sites. The ultimate goal is to provide the automated testing capabilities in all offices that have three or more examining personnel.
- The Driver License Section totally revised its questions for classified driver license tests to make them easier to understand and to eliminate non-essential questions. At the same time, the passing threshold was raised from 70 per cent to 80 per cent.
- Customer Traffic Management System (queuing systems) was installed in 15 sites to eliminate the need for customers to wait in line and to allow the Section to monitor productivity. Long-term plans include queuing systems in all offices that provide automated testing.
- New offices opened in East Charlotte and Clayton in 1999.
- Medical Review operations were brought in-house in late 1999 after the Department of Health and Human Services decided to give up management of the program. This has improved communication among staff members and allowed for greater consistency in decision-making.
- Since the program has been under the management of Driver License/DMV personnel the average number of cases pending review and decision has been reduced from 5000 to 500.

MAJOR ISSUES AND CHALLENGES

- The Driver License Section will implement on-line (Internet) transactions for duplicate driver licenses in late May 2001. Initially, the services will be available for persons needing a new license due to change of address, lost or stolen licenses, or damaged licenses. It is estimated that over 400,000 customers would be eligible to use the service. At its peak use, we anticipate the service will be able to allow 150,000 to 200,000 to use the service at home or work without having to visit an office.
- Driver License Section is evaluating the possibility of a 10-year renewal recycle, combined with targeted re-testing of "at-risk" drivers and more frequent testing of drivers age 75 and over who do not opt to take a senior driver safe driving course. Discussions with the UNC Highway Safety Research Center indicate that such a format could be a net plus for highway safety, primarily because of re-testing of "at-risk" drivers and more frequent testing of older drivers.

0540 School Bus and Traffic Safety (SBTS)

MISSION AND FUNCTION

To promote traffic safety, administer a comprehensive training and certification program for school bus drivers and provide professional leadership in driver improvement for the citizens of North Carolina.

OPERATIONS

- Develop programs to enhance highway safety
- Train and certify school bus drivers
- Conduct safety programs for school bus drivers and passengers
- Ensure that all school bus drivers are medically and physically able to operate buses
- License commercial driver training schools and instructors
- Develop training materials for the School Bus Driver Training Program and the Commercial Driver Training Course

BUDGET AND PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-00
Personnel	\$4,225,694	\$4,389,734	\$4,527,957	\$4,611,875	\$4,347,490
Operating	\$396,183	\$391,499	\$408,611	\$389,347	\$377,966
Total	\$4,621,877	\$4,781,211	\$4,936,568	\$5,001,222	\$4,725,456
# of Positions	94	94	96	95	95

- In-State Transportation is 62% of FY 99-00 operating budget.
- Only six (6) positions are located at DMV Headquarters. The remaining 89 positions are in the field.

PERFORMANCE INDICATORS

School Buses	95-96	96-97	97-98	98-99	99-00
Number operating	12,913	12,884	12,957	13,014	13,062
*Number of drivers trained and certified	11,267	6,554	8,343	8,432	7,912
Number of students transported	707,725	690,510	685,670	687,690	692,694
Number and percentage of buses involved in crashes	882 (7%)	854 (7%)	861 (7%)	835 (6%)	860 (7%)

*North Carolina includes 117 local school districts. Twenty-six local school districts require all non-teaching school personnel to be certified as school bus drivers as a condition of employment.

Commercial Driving Schools	95-96	96-97	97-98	98-99	99-00
Number of schools licensed	71	89	109	79	66
Number of instructors certified	536	627	791	716	841

Driver Improvement Clinics	95-96	96-97	97-98	98-99	99-00
Number of persons completing clinics	9,348	9,086	**16,207	7,273	6,754

** The Section provided Defensive Driving Courses to all employees in the Department of Transportation during the ~~FY~~ 1997-1998.

SUCSESSES

- Four-hour Defensive Driving Course (DDC-4) Implemented in 1997-98
- No significant increase in number of school buses involved in crashes despite increase in number of buses operating
- Revised NC School Bus Stop Law Brochure for the motoring public (see attached page)

ISSUES AND CHALLENGES

The School Bus and Traffic Safety Section experienced minimal personnel turnover for a number of years. A significant percentage of SBTS career personnel have now reached or are approaching eligibility for retirement. The Section is losing experienced employees and is involved in intensive efforts related to recruitment, hiring and training new staff.

EXPANSION ITEMS REQUESTED

Increase in Staffing for the School Bus and Traffic Safety Program – The Division of Motor Vehicles is responsible for overseeing motor vehicle safety throughout the state. The division also has the responsibility for training and certification of drivers for more than 13,000 public school buses operated daily across our state. The School Bus and Traffic Safety Section currently employs 84 driver education specialists, each of whom is responsible for the training of drivers and substitute drivers. To fully meet the training needs across the state, additional funding is recommended to support two additional driver education specialist positions, one processing assistant position and appropriate operating costs in fiscal year 2002-03.

The Section requests additional School Bus and Traffic Safety positions to meet the needs in the State's most populous areas. The State's rapid population growth has had a major impact on the need for additional school bus drivers across the State, most notably in Wake, Charlotte-Mecklenburg, Durham and Guilford Counties. Based on dramatic increases in the numbers of children that started school in these areas during Fiscal years 1998-1999 and 1999-2000, and the additional projected increases for the next fiscal year, the Section needs three additional positions for FY 2002-2003.

The Section is currently working on plans that will require a physical examination for all school bus drivers starting in the year 2003. The processing assistant position is needed to handle the additional workload associated with these reports.

0550 Traffic Records

MISSION AND FUNCTION

To deliver quality motor vehicle services, promote highway safety, and furnish timely and accurate information by providing excellent customer service, enforcing motor vehicle laws and maintaining the integrity of official DMV records.

The Traffic Record Section is responsible for:

- Establishing and maintaining a central repository for statewide crash data.
This data is used by Traffic Engineers of the Division of Highways to identify safety improvements for trafficways; research community to conduct studies on drivers and conditions; to link the severity of injuries and the ability of victims to survive crashes; and to recommend to manufacturers of automobiles safety improvements to vehicle designs.
- Developing a crash reporting document (DMV-349) based on federal reporting guidelines and needs of safety community stakeholders.
- Publishing monthly and annual crash statistical reports for the safety community; research organizations; traffic engineers and the motoring public and insurance companies.
- Training of law enforcement officers on completing the crash reporting form.
- Transmitting fatal statistical data to the National Federal Highway Traffic Safety Administration.
- Providing access to DMV records.
- Processing requests for data from DMV databases.
- Suspending the driving privileges of uninsured motorists at fault in a crash.

BUDGET AND PERSONNEL TRENDS

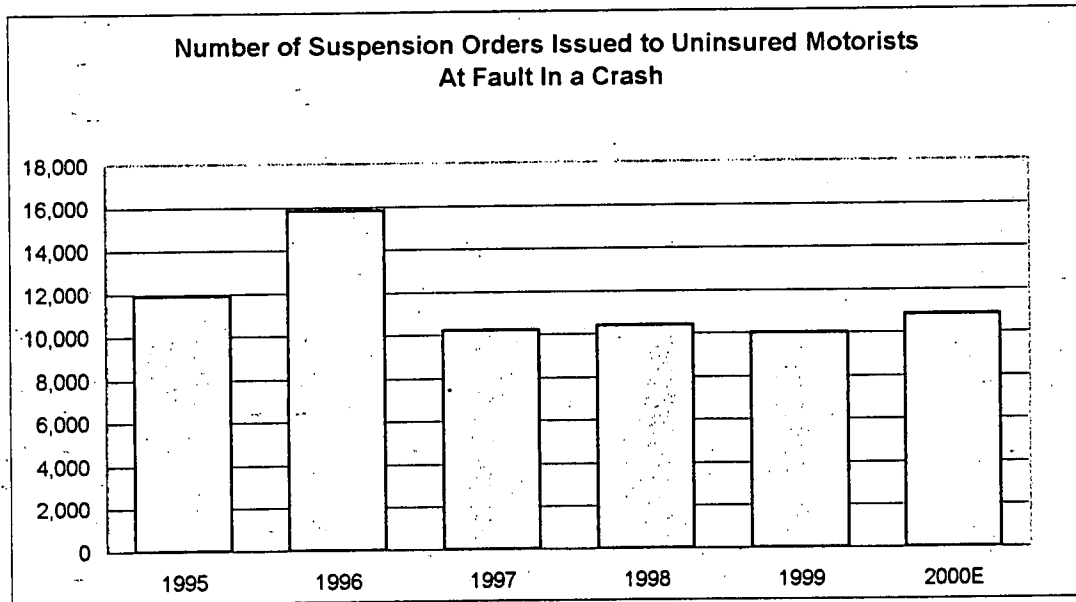
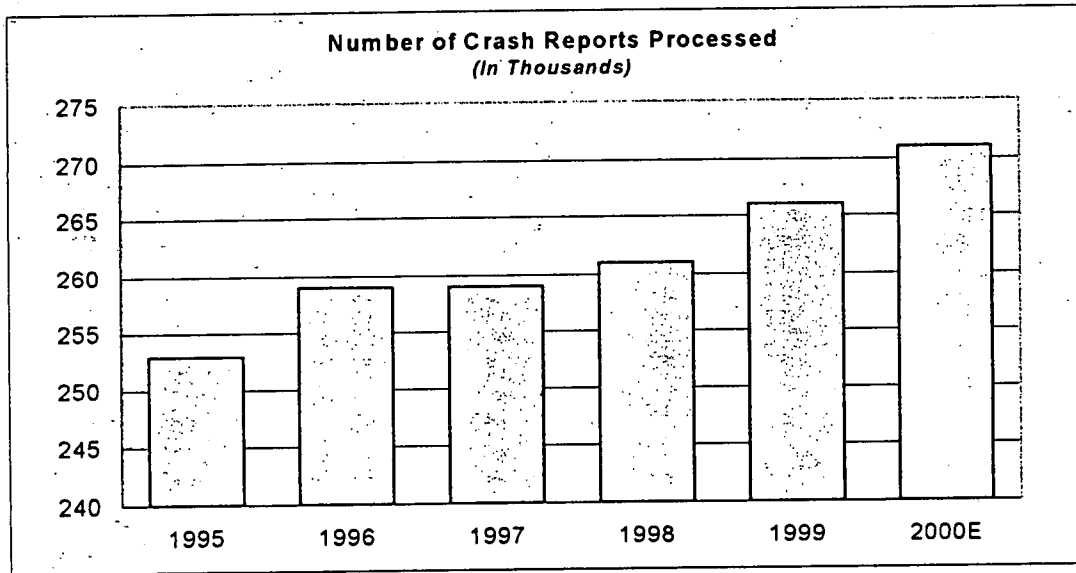
	95-96	96-97	97-98	98-99	99-00
Personnel	\$1,628,670	\$1,659,933	\$1,942,241	\$1,828,533	\$1,653,913
Operating	64,302	170,508	157,355	558,047	209,454
Total	\$1,692,972	\$1,830,441	\$2,099,596	\$2,386,580	\$1,863,367
# of Positions	53	53	53	54	53

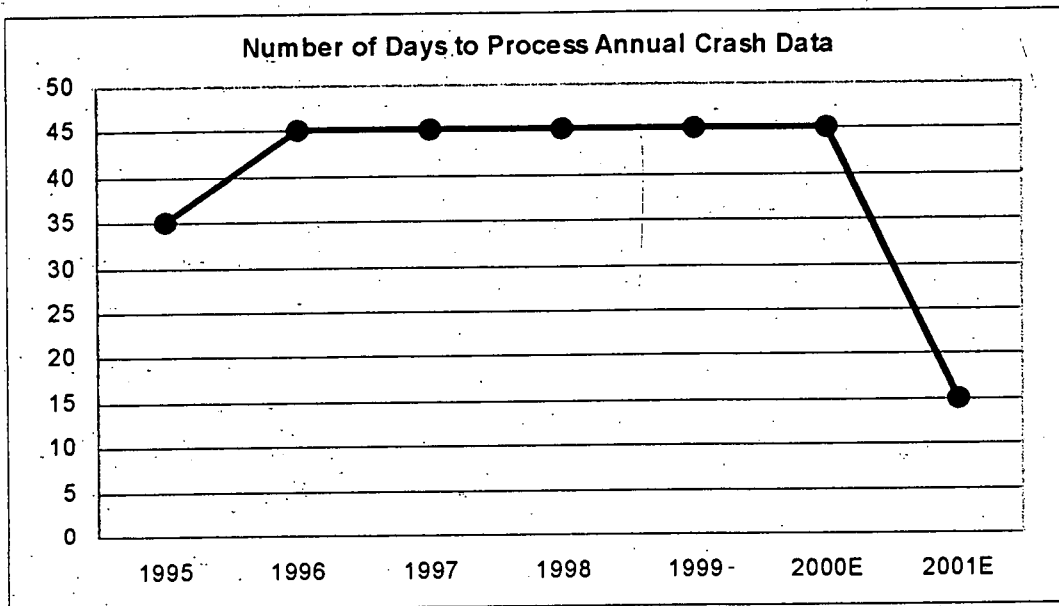
- In FY 96-97 there was an increase in operating expenses to create two additional units (Customer Merge and Data Control). Sixteen employees were proposed for the Customer Merge Unit. Funding was provided for workstations and personal computers for eight (8) employees.
- In FY 97-98 six positions were transferred from other sections within DMV to staff the two units. Funding was provided for the 8 additional workstations and personal computers for the Customer Merge Unit.
- Operating budget for FY 98-99 includes one-time funding for workstations and personal computers, installation, cabling, etc. It also reflects a slight increase in

operating expenses. These operating expenses are going to be necessary in order for us to provide better customer service through electronic commerce, e.g. faxing, and scanning.

- Operating budget for FY 99-00 reflects a decrease due to the one-time funding of equipment purchased for the implementation of the new Crash Reporting Program. Four positions in the Customer Merge Unit were transferred to the Driver License Section along with 8 workstation and 8 computers.

PERFORMANCE INDICATORS (based on calendar year)





SUCCESS STORIES

- Developed a new Crash Reporting form and program with a implementation date of January 1,2000
- Assisted State Highway Patrol and local law enforcement with improvement of data quality through education and training
- Established a relational database as an open data repository
- Crash Reports and statistical reports are available via the internet
- Automatic distribution of crash reports to internal and external safety agencies
- Monthly and annual crash facts are available via the DMV Website

MAJOR ISSUES AND CHALLENGES

- Promoting the electronic submitted of crash data by local law enforcement
 - Develop software for electronic capture and submission of data
 - Provide training to local law enforcement agencies.
- Redeployment and utilization of staff

0570 Enforcement

MISSION AND FUNCTION

The NCDMV Enforcement Section will promote highway safety, enforce all state and federal laws regulating highway and vehicle operations and maintain and provide accurate information through the efficient utilization of personnel and technology resources.

The Enforcement Section has the following responsibilities:

93 Non – Uniformed Inspector positions perform the following duties:

- *Conduct Criminal, Civil and Administrative Investigations*
- *Automotive Theft, Notice, and Stored Vehicle Investigations*
- *Automobile Salvage Investigations*
- *Dealer Licensing and Investigations*
- *Driver License Fraud and Identity Fraud Investigations*
- *Vehicle Registration Examinations and Investigations*
- *Licensing Safety Inspection Stations/Mechanics, Enforcing Safety Inspection Program Regulations and Arrest for Violations*
- *Odometer Fraud Investigations*
- *Special Investigations*

➤ 84 % of job duties consist of the above.

➤ 16% of job duties are administrative requirements, court and training

365 Uniformed Vehicle Enforcement Officer positions perform the following duties:

- *Over – Size/Over – Weight Enforcement*
- *Enforce Motor Carrier Compliance*
- *Rest Area Patrol*
- *Driver's License and License Plate Revocation Enforcement*
- *Fuel Tax Compliance Enforcement*
- *Work Zone Safety Enforcement*
- *Motor Carrier Safety Assistance Program Enforcement (MCSAP)*

➤ 92 % of job duties of field law enforcement personnel consist of the above.

➤ 8% of job duties are administrative requirements.

The DMV Enforcement Section is the only state law enforcement agency that is charged with the above specific duties. These 458 Enforcement Section personnel are assigned to the entire state, which would average 4.5 officers per county.

BUDGET AND PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-00
Personnel	\$20,572,315	\$18,882,947	\$19,546,162	*\$23,759,791	**\$23,957,553
Operating	6,407,424	5,745,512	5,827,286	5,400,916	**\$6,824,553
Total	\$26,979,739	\$24,628,459	\$25,373,448	\$29,160,707	\$30,782,106
# Of Positions	544	544	544	544	578

*Includes appropriations for the Enforcement Pay Equity Plan in the amount of \$3,001,486 that was passed in the 1998 Short Session of the General Assembly.

**Includes funding for 32 Work Zone Safety personnel and equipment.

- Transportation and License/Sticker costs consume 59% of the Enforcement Section's operating budget.
 - Transportation costs budgeted for the FY99-00 was \$3,076,423 or 45% of the operating budget.
 - The Enforcement Section does not purchase patrol vehicles.
 - The cost to purchase and issue dealer, manufacturer, commercial and transporter plates is currently 14% of the section's operating budget.
- The remaining 41% of the Enforcement Section's operating budget are for training needs, basic law enforcement uniforms and equipment, auto accessories such as bar lights and radios, etc., and technology needs.

SUCCESS STORIES

- In 1997, the Enforcement Section developed and implemented a 28-week Field Training Officer Program.
 - The types of training Enforcement Officers need to do their enforcement activities are extremely specialized.
 - In addition to BLET certification, required for all certified law enforcement personnel in the State, the Enforcement Section developed a field officer training program, which now provides this specialized technical commercial vehicle enforcement training for its newly hired personnel.
 - This training package ensures that our new officers are receiving consistent and uniform training throughout the Section.
 - In 1998, *this program was selected as the #1 Continuous Process Improvement* in NCDOT.
- Implementation of Truck Safety Legislative and Administrative Changes required a CVSA fine schedule for out of service violators.
 - This change was begun in December of 1999.
 - 10,487 citations have been issued.
 - \$1,284,475.00 in fines have been assessed.

- Increased the number of officers performing CVSA inspections and subsequently increase number of inspections. (From 53 MCSAP to approx. 250 uniformed officers.)

COMMERCIAL VEHICLE INSPECTIONS	TOTAL
July 96 – June 97	28,338
July 97 – June 98	27,351
July 98 – June 99	48,600
July 99 – June 00	69,151

**Table shows inspections conducted by all uniformed CVSA certified DMV personnel

- Use of thermal technologies to detect brake and other CMV vehicle violations.
- In 1997 – 1998, North Carolina ranked 4th in the nation for commercial vehicle fatal crashes.
 - DMV Enforcement increased inspections and commercial vehicle enforcement activities.
 - There has been a 17% decrease in fatal crashes in 1998 – 1999
 - North Carolina has moved from 4th to 8th in rank of the number of fatal CMV crashes since 1997
- The NCDMV Enforcement FUEL TaCS (Fuel Tax Compliance System) citation system, Phase I, went into effect in January 1997.
 - This system was developed to provide cross-match information for the Department of Revenue to identify and collect highway fuel tax revenue being evaded by the trucking industry.
 - All roadside enforcement activities (overweight citations, CMV inspections, arrest citations, warning tickets or sightings information) are transmitted to the main database and cross-matched at DOR for revenue identification and collection.
- In Phase II, the wireless laptop environment will come on-line in FY2001 and will merge all DMV-Enforcement road enforcement applications.
 - Enforcement Section vehicles will be outfitted with laptop computers to issue overweight, motor carrier and traffic citations.

OVERWEIGHT CITATIONS (Past five fiscal years)

	Number of Vehicles Weighed	Vehicles in Violation (# of Citations)	Overweight Pounds	Monetary Collections
FY 1995/1996	5,203,519	18,884	127,602,773	\$7,850,488.60
FY 1996/1997	7,532,153	18,533	130,213,415	\$7,577,125.10
FY 1997/1998	6,855,501	21,870	173,039,414	\$7,758,549.69
FY 1998/1999	7,026,272	21,926	165,036,752	\$8,100,742.53
FY 1999/2000	6,974,642	20,150	157,226,824	\$7,268,648.61

Impacts on weighing activities: Hurricane Floyd necessitating Governor's Executive Orders exempting size and weight restrictions to affected disaster areas (1/3 of state).

- Mt. Airy Weigh Station (I-77) closed FY99-00 due to I-77 highway lane resurfacing project.
- Asheville Weigh Station (I-40 Westbound) closed due to scale replacement most of FY99-00.

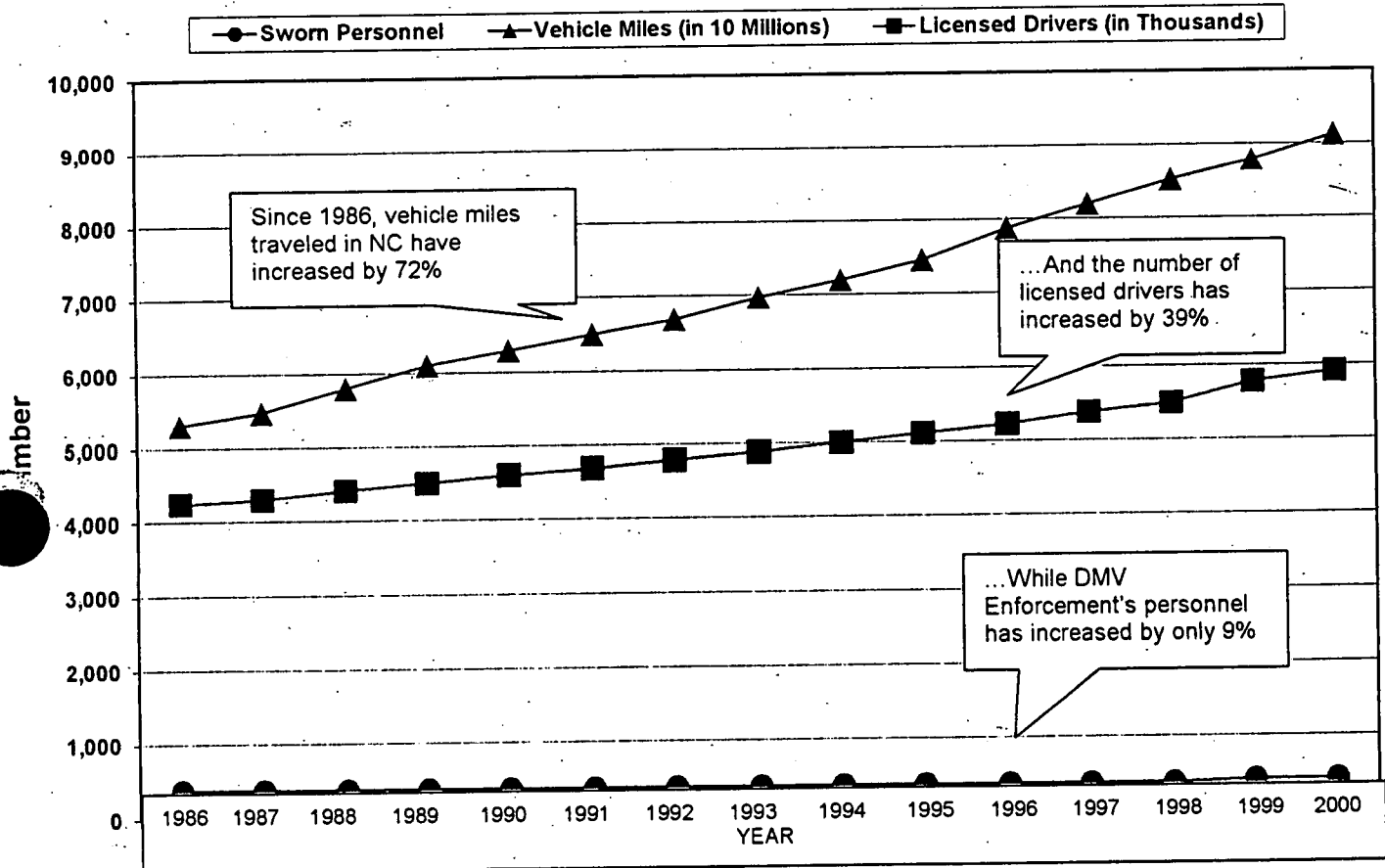
- In 1999 this Section was charged with the responsibility of providing a safer environment in the Work Zones for DOT personnel and the motoring public. The Department of Transportation provided the Section with 32 additional positions to accomplish this task.
- An average of 29 people die each year in North Carolina Work Zones
- In 1999, there were 26 fatalities
- Over the last 2 years DOT has lost 4 employees
- This assignment was given to the Enforcement Section as we are part of DOT and regularly meet with District Engineers on future work zone locations

WORK ZONE ACTIVITIES	TOTALS
Motor Carriers Inspected	10,101
Motorist Assisted	4,824
Citations (<i>Commercial Vehicles</i>)	4,427
Citations (<i>Private Vehicles</i>)	3,107
Warnings Issued	4,743
Vehicle Mileage	920,889
Crash Scene Assists	467
Over Weight Citations	1,019
Amount of Weight	7,314,586
Total Work Zone Hours	58,986

MAJOR ISSUES AND CHALLENGES

- One of the major challenges of the Enforcement Section is to efficiently utilize limited existing personnel in order to meet the Division of Motor Vehicle and the Enforcement Section's many responsibilities and the Secretary of Transportation's goals and objectives.

Changes in NC Traffic Demand and NC DMV Enforcement Personnel Since 1986



Other examples of the challenges facing DMV Enforcement are:

1. *Increasing presence at permanent weigh stations.*
 - The Secretary of Transportation, as part of the DOT Truck Safety Package, committed to keeping DOT's permanent weigh station facilities open a minimum of 16 hours a day, 5 days a week to include Saturday and Sunday scheduling.
 - The Enforcement Section is utilizing flex scheduling of its Officers to increase the operating hours at permanent weigh stations by approximately 6%.
 - Because of the cross training of the CVSA officers and the continued commitment to support Truck Safety, it has require additional in-service training.

2. *Reviewing & reorganizing the Interstate Rest Area/Welcome Center patrol responsibility.*

- The Enforcement Section has reduced stationary patrols at Interstate Rest Area/Welcome Center properties at non-peak, non-holiday times when traffic counts show that the number of vehicles utilizing these facilities are at a minimum.
- These facilities will continue to be patrolled during peak holiday travel periods.
- The Enforcement Section will maintain a presence by utilizing flex scheduling to make certain that the criminal element does not reintroduce itself to these areas.
- Currently takes 78 officers per day to secure 44 rest areas/welcome center sites across the state, which is 1/5 of our total manpower.
- The ability to track the daily activities of the officers will be utilized as a management tool to evaluate current and future operational needs of the section.

3. *Continuing to develop enforcement initiatives that will help in reducing commercial vehicle crash fatalities.*

- These operations will be occurring in designated high crash corridors and DOT work zones.
- Expanded 21 county "high crash zone" to 30 counties. Initial efforts reduced CMV related fatal crashes by 17 percent. While fatal crashes decreased in the other 79 counties during the 1998-99, the decrease in the 21 county region was 4 times that observed in the 79 county region.
- The presence of DMV Enforcement patrol vehicles will reduce speeds of vehicles in these areas and increased inspections will take unsafe commercial vehicles off the highway.
- For current statistics, see Attachment 1.

4. *Continue emphasis on protecting the state's infrastructure through an effective size and weight program.*

5. *Develop program for inspection of manufactured homes at manufacturer/dealer sites.*

- Enforcement Section will inspect homes/trailers on site at rate of 2% per year (approx. 2000/yr.).
- Work with industry on safety issues.

Other challenges---

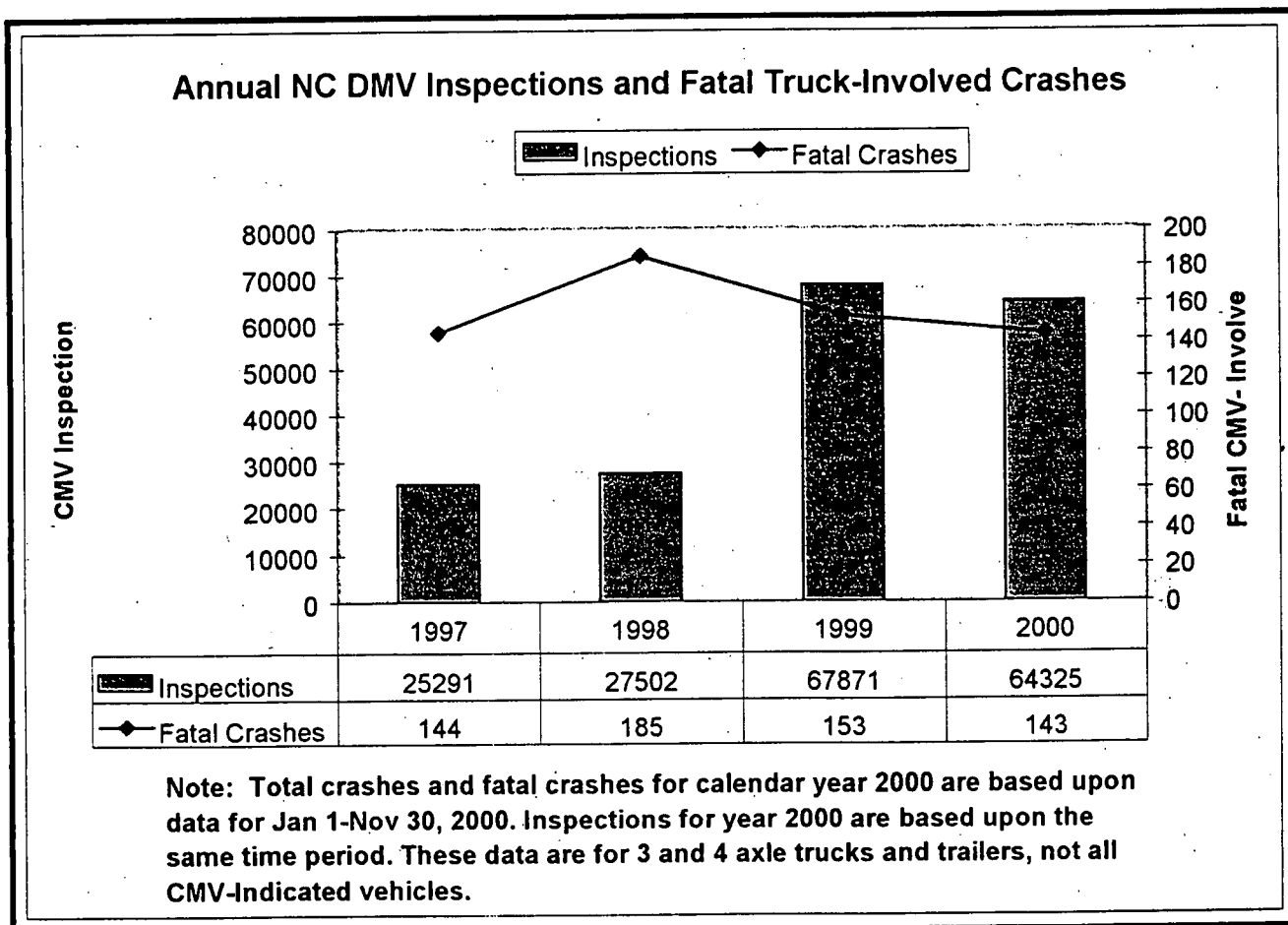
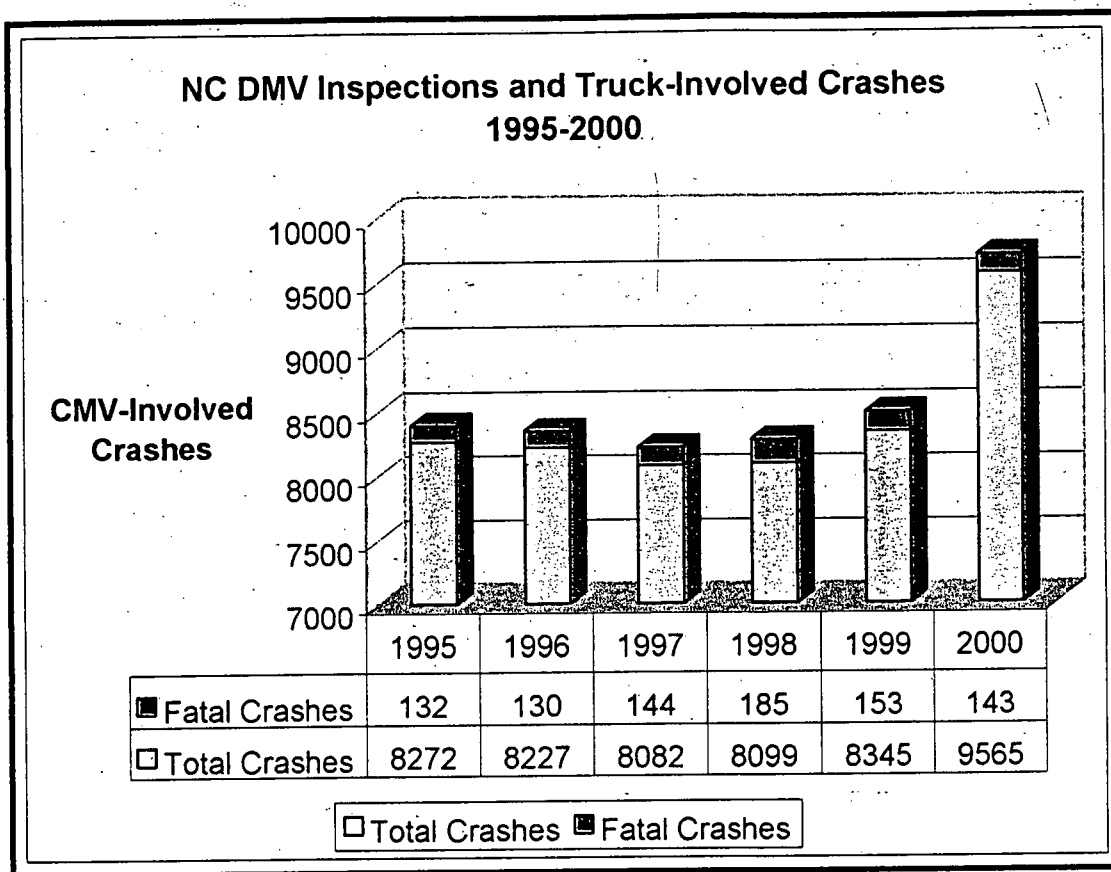
1. Enhancement of the Section's technology infrastructure to consistently meet agency needs, as well as customer expectations.
2. Train and prepare Enforcement Section personnel to operate in this new technological environment. One example of this is the development of a plan to enable the section to migrate into the CJIN network.
3. Increased responsibility but no increase in manpower.

Expansion Items Requested

CVISN – Commercial Information Systems & Networks

- The volume of North Carolina truck-based operations is recognized as one of the largest in the country. To this end, the goal of the North Carolina Commercial Vehicle Information Systems & Networks (CVISN) project is to improve commercial vehicle operations by reducing the administrative burden on motor carriers, focusing safety enforcement on high-risk carriers, and reducing congestion costs for the industry.
 - Conduct electronic screening at one side of one weigh station with transponder readers.
 - Main line weigh-in-motion equipment will permit electronic screening of commercial vehicles without stopping.
 - Safety Information Systems: Development of this system will provide officers conducting roadside inspections real time access of carrier information from federal and state databases via laptop computers.
 - Current commercial vehicle safety-related information will be made available online to all motor vehicle enforcement officers at weigh stations and in patrol vehicles.
 - Snapshot data will be provided from Safety and Fitness Electronic Records (SAFER) System, which includes information on a carrier's safety rating, inspection history and accident record.
- (\$ 2,071,200)

ATTACHMENT 1



0590 Enforcement - Emissions Program

MISSION AND FUNCTION

To ensure the State of North Carolina continues to enjoy the benefits of the compliance with Federal Clean Air Standards and to enforce all laws and regulations that have been enacted by the State of North Carolina which concern exhaust emissions testing and On Board Diagnostic (OBD) testing.

BUDGET/PERSONNEL TRENDS

	95-96	96-97	97-98	98-99	99-2000
Personnel	\$1,870,031	\$1,930,916	\$2,026,514	\$2,458,025	\$2,604,196
Operating	997,991	806,237	2,641,725	3,063,239	\$2,542,274
Total	\$2,868,022	\$2,737,153	\$4,668,239	\$5,521,264	\$5,146,470
# Of Positions	44	44	44	44	45

- The North Carolina Emission Program began in 1982 in Mecklenburg County. Vehicles are tested and required to pass the Federal Carbon Monoxide Standards. Between 1986 and 1992, North Carolina added eight (8) more counties between 1991 -1992 to the emission testing requirements. These counties are in five (5) different DMV Enforcement Districts
- Emissions Counties
 - Mecklenburg Guilford Cabarrus
 - Gaston Orange Union
 - Forsyth Durham Wake
- Under the terms of the Clean Air Act Amendments of 1990, Environmental Protection Agency was required to establish minimum performance standards for Emission programs. These standards were published in the Federal Register Vol. 57, No 215 Part 51 and the NCDMV Enforcement is charged with implementing and enforcing these standards.
- This program is a receipt-funded program. The funding for the Enforcement Section Emissions program is \$1.80 per inspection and is found within the emissions inspection cost of \$19.40. Regular non-emissions inspection cost is \$9.25.

Inspection Fee Distribution		
Recipient	Safety Only Inspection	Safety and Emissions Inspection
Highway Fund	\$ 0.75	\$ 0.00
Emissions Program Account	\$ 0.00	\$ 1.80
Volunteer Rescue/EMS Fund	\$ 0.15	\$ 0.15
Rescue Squad Workers' Relief Fund	\$ 0.10	\$ 0.10
Division of Air Quality	\$ 0.00	\$ 0.35
Inspection Station	\$ 8.25	\$ 17.00
Total	\$ 9.25	\$ 19.40

SUCCESS STORIES

- Registration Denial was required to be in place by EPA no later than June 1, 1999. The program was started on April 1, 1999, one month ahead of schedule.

- The North Carolina Inspection/Maintenance Program is moving in a positive direction according to the EPA final report.
- Motorist compliance is over 90% in areas that have been surveyed by the Division of Air Quality.
- Effectiveness of covert audit program including a wide range of undercover vehicles, more effective tampering and rotation of undercover vehicles, and added training for DMV Emission Inspectors.
- Five (5) Day Notice of Violation to the Safety Inspection Stations and Mechanics. These notices inform them of a violation which could suspend or revoke the license within five (5) days of the conclusion of the investigation.
- Enhanced the training of the Community College Instructors.

MAJOR ISSUES AND CHALLENGES

- Incorporate a Federally mandated On Board Diagnostic (OBD) testing program in existing counties.
- Obtaining the necessary funding through sticker fee increases to implement and maintain program. The funding will be critical due to the changes and challenges the new program faces.
- To thoroughly inform the public through a public information campaign and gain the citizen's acceptance of the program.
- Implement the OBD program in thirty-nine (39) new counties listed below.

<i>July 2003</i>	<i>January 2004</i>	<i>July 2004</i>	<i>January 2005</i>	<i>July 2005</i>	<i>January 2006</i>
Catawaba	Alamance	Buncombe	Edgecombe	Caldwell	Brunswick
Cumberland	Chatham	Cleveland	Lenior	Haywood	Carteret
Davidson	Franklin	Granville	Pitt	Henderson	Craven
Johnston	Lincoln	Harnett	Robeson	Rutherford	New Hanover
Rowan	Lee	Rockingham	Nash	Stokes	Onslow
Iredell	Moore		Wayne	Surry	
	Randolph		Wilson	Wilkes	
	Stanley			Burke	

- Hiring and training new employees to audit and oversee the OBD program in new counties.
- Achieving a 95% or greater compliance rate.
- Collect outstanding penalties and debts owe by non-compliant motorists.
- Upgrade the North Carolina Safety Inspection Program to allow for real-time inspection data collection.
- Improve and modify the existing program applications to process the enhanced OBD inspection.
- Train DMV personnel on OBD inspections.
- Enhance the training level at the Community Colleges to be able to train mechanics to effectively and efficiently repair OBD failures.

INTERNET TRANSACTION COST
\$20.00 Tag Renewal

1) Internet Customer Who Renewed at a Tag Agency Last Year:

DMV Credit Card Fee.....	\$0.60
DMV Postage.....	\$0.25
DMV Sticker/Mailer.....	<u>\$0.10</u>
	\$0.95
DOT/Interface Software Cost (Pay Linx).....	+ <u>.41</u>
	Total
	\$1.36
• Tag Agents Compensation	\$1.35

2) Internet Customer Who Mailed in Last Year:

DMV Credit Card Fee.....	\$0.60
DOT Interface Software Cost (Pay Linx).....	<u>\$0.41</u>
	Total
	\$1.01

- Loss of Revenue \$1.00 Mail-In-Fee

INTERNET IMPACT ON BUDGET

PROJECTIONS BASED ON \$20.00 TRANSACTION FEES 12.00% PERCENT GROWTH PER MONTH FY 00-01
 CREDIT CARD FEE PROJECTIONS

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY TOTAL
TOTAL TRANSACTIONS	14,678	16,439	18,412	20,622	23,096	25,668	28,972	32,248	36,342	41,537	47,989	55,806	216,877
40% MAIL IN CUSTOMERS	5,871	6,576	7,365	8,249	9,238	10,347	11,589	12,979	14,537	16,281	18,239	20,426	86,761
60% WALK IN CUSTOMERS	8,807	9,864	11,047	12,373	13,858	15,521	17,383	19,469	21,806	24,806	28,750	33,380	130,116
COSTS FOR MAIL IN CUSTOMERS													
CREDIT CARD FEE \$0.60 EA	\$ 3,523	\$ 3,945	\$ 4,419	\$ 4,949	\$ 5,543	\$ 6,208	\$ 6,953	\$ 7,788	\$ 8,722	\$ 9,851	\$ 11,083	\$ 12,451	\$ 52,051
TOTAL ADDITIONAL COSTS FOR MAIL IN CUSTOMERS	\$ 3,523	\$ 3,945	\$ 4,419	\$ 4,949	\$ 5,543	\$ 6,208	\$ 6,953	\$ 7,788	\$ 8,722	\$ 9,851	\$ 11,083	\$ 12,451	\$ 52,051
COSTS/(SAVINGS) FOR WALK IN CUSTOMERS													
CREDIT CARD FEE \$0.60 EA	\$ 5,284	\$ 5,918	\$ 6,628	\$ 7,424	\$ 8,316	\$ 9,312	\$ 10,430	\$ 11,681	\$ 13,083	\$ 14,651	\$ 16,393	\$ 18,326	\$ 78,076
ADDITIONAL POSTAGE @ \$0.25 EA	\$ 2,202	\$ 2,486	\$ 2,782	\$ 3,093	\$ 3,464	\$ 3,880	\$ 4,346	\$ 4,867	\$ 5,451	\$ 6,103	\$ 6,833	\$ 7,656	\$ 32,532
ADDITIONAL MAILER COSTS @ \$0.10 EA	\$ 881	\$ 986	\$ 1,105	\$ 1,237	\$ 1,388	\$ 1,552	\$ 1,738	\$ 1,947	\$ 2,181	\$ 2,441	\$ 2,726	\$ 3,045	\$ 13,013
SAVINGS ON TAG AGENT COMMISSIONS @ \$1.35 EA	\$ (11,889)	\$ (13,316)	\$ (14,914)	\$ (16,703)	\$ (18,708)	\$ (20,953)	\$ (23,467)	\$ (26,283)	\$ (29,437)	\$ (33,031)	\$ (37,081)	\$ (41,716)	\$ (175,670)
TOTAL COSTS/(SAVINGS) FOR WALK IN CUSTOMERS	\$ (3,523)	\$ (3,945)	\$ (4,419)	\$ (4,949)	\$ (5,543)	\$ (6,208)	\$ (6,953)	\$ (7,788)	\$ (8,722)	\$ (9,851)	\$ (11,083)	\$ (12,451)	\$ (52,051)
NET COST/(SAVINGS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HIGHWAY FUND LOSS OF REVENUE ON \$1,000 MAIL IN	\$ 6,871	\$ 7,676	\$ 8,586	\$ 9,616	\$ 10,772	\$ 12,064	\$ 13,494	\$ 15,066	\$ 16,788	\$ 18,662	\$ 20,696	\$ 22,989	\$ 96,537

6.00% PERCENT GROWTH PER MONTH FY 01-02

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY TOTAL
TOTAL TRANSACTIONS	38,623	40,834	43,284	45,881	48,634	51,552	54,645	57,924	61,399	65,083	68,988	73,128	649,876
40% MAIL IN CUSTOMERS	15,409	16,334	17,314	18,352	19,454	20,621	21,858	23,170	24,560	26,033	27,595	29,251	259,951
60% WALK IN CUSTOMERS	23,114	24,500	25,970	27,529	29,180	30,931	32,787	34,754	36,840	39,050	41,393	43,877	389,926
COSTS FOR MAIL IN CUSTOMERS													
CREDIT CARD FEE \$0.60 EA	9,245	9,800	10,388	11,011	11,672	12,373	13,115	13,902	14,736	15,620	16,557	17,551	155,970
TOTAL ADDITIONAL COSTS FOR MAIL IN CUSTOMERS	\$ 9,245	\$ 9,800	\$ 10,388	\$ 11,011	\$ 11,672	\$ 12,373	\$ 13,115	\$ 13,902	\$ 14,736	\$ 15,620	\$ 16,557	\$ 17,551	\$ 155,970
COSTS/(SAVINGS) FOR WALK IN CUSTOMERS													
CREDIT CARD FEE \$0.60 EA	\$ 13,888	\$ 14,700	\$ 15,582	\$ 16,517	\$ 17,508	\$ 18,566	\$ 19,672	\$ 20,863	\$ 22,104	\$ 23,430	\$ 24,836	\$ 26,326	\$ 233,965
ADDITIONAL POSTAGE @ \$0.25 EA	\$ 6,778	\$ 6,126	\$ 6,493	\$ 6,882	\$ 7,286	\$ 7,733	\$ 8,197	\$ 8,699	\$ 9,210	\$ 9,762	\$ 10,348	\$ 10,969	\$ 97,481
ADDITIONAL MAILER COSTS @ \$0.10 EA	\$ 2,311	\$ 2,460	\$ 2,697	\$ 2,918	\$ 3,093	\$ 3,279	\$ 3,476	\$ 3,684	\$ 3,906	\$ 4,139	\$ 4,388	\$ 4,648	\$ 38,933
SAVINGS ON TAG AGENT COMMISSIONS @ \$1.35 EA	\$ (31,203)	\$ (33,076)	\$ (35,060)	\$ (37,164)	\$ (39,394)	\$ (41,767)	\$ (44,263)	\$ (46,918)	\$ (49,733)	\$ (52,717)	\$ (55,881)	\$ (59,233)	\$ (526,400)
TOTAL COSTS/(SAVINGS) FOR WALK IN CUSTOMERS	\$ (9,245)	\$ (9,800)	\$ (10,388)	\$ (11,011)	\$ (11,672)	\$ (12,373)	\$ (13,115)	\$ (13,902)	\$ (14,736)	\$ (15,620)	\$ (16,557)	\$ (17,551)	\$ (155,970)
NET COST/(SAVINGS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HIGHWAY FUND LOSS OF REVENUE ON \$1,000 MAIL IN	\$ 15,409	\$ 16,334	\$ 17,314	\$ 18,352	\$ 19,454	\$ 20,621	\$ 21,858	\$ 23,170	\$ 24,560	\$ 26,033	\$ 27,595	\$ 29,251	\$ 259,950

4-16-01

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **JOINT APPROPRIATIONS/
Transportation** will meet as follows:

DAY & DATE: Monday, April 16, 4:00 pm
Tuesday, April 17, 8:30 am
Wednesday, April 18, 8:30 am
Thursday, April 19, 8:30 am

TIME: 8:30 am

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at
2:00 pm on April 12, 2001.

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 17, 2001
8:30 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Transit

Sanford Cross
DOT

Representatives of municipalities and regional transit agencies

Powell Bill/Aid to Municipalities

Calvin Leggett
DOT

General Services/Capital Budget

Cameron Lee
DOT

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

April 17, 2001

8:30 A.M.

Room 1228 LB

The Joint Appropriations Subcommittee on Transportation met on April 17, 2001 at 8:30 a.m. in room 1228 of the Legislative Building. Representative Nelson Cole presided. Six members of the Senate committee were in attendance. A visitor registration sheet is attached and made part of these minutes. The following members of the House committee were present:

Rep. Nelson Cole
Rep. Jim Crawford
Rep. Joanne Bowie had an excused absence
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Lorene Coates

Rep. Don Davis
Rep. Jerry Dockham
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Cole opened the meeting, acknowledged the pages, and introduced Calvin Leggett, with DOT, who talked about the Powell Bill which is aid to municipalities. The bill begin in 1949 and the purpose was to help the municipalities fund the maintenance for local city street systems. The first checks were cut for this program in 1951. The funding source for the program is 2/3s from the highway fund with 1/3 being funded from the highway trust fund. The growth of the program was been at 30% over the last 50 years with the participating municipalities. In 1951 checks for \$4.5 million were written and in 2000 \$133 million were written. The administrative budget for the program is little less than \$100,000 per year. The allocation formula is ¾% based on population and ¼% based on certified mileage. 80% of these funds are awarded electronically which enables the municipalities to get them quickly and helps the state keep administrative costs down. Mr. Leggett recognized Betsy Williams who runs the program. Discussion followed.

Representative Cole then introduced Sanford Cross, Director of Public Transportation Division for DOT, who gave an overview of public transportation for North Carolina. See handout #1, Public Transportation Division Overview. He stated the division's mission, which is in partnership with other public and private entities, to support and promote the availability of high quality public transportation services and partnerships throughout the state by delivering funding, technical assistance and leadership. On page two of the handout is an organization chart of the division which shows the 31 positions within the division. The DOT provides funds on an annual basis to assist with the operating and administrative costs across the state. These funds are used to match federal grants and to provide state grants where federal grants are not available. The staff works with the 125 rural, urban and regional transportation systems planning programs across

the state. These programs include: 84 community transportation systems which serve all 100 counties, 18 urban and regional transit systems which operate in regions with a population over 50,000, 3 regional ridesharing programs, 17 metropolitan planning organizations and 3 regional "new start" fixed guideway planning and capital projects which will start in the Charlotte area, the Triad area and the Triangle area. All of the programs have significant financial needs.

On page six of the handout #1, Mr. Cross explained the budget request for 2002-2003 for the department. Their budget needs are: \$25,000,000 for the continuation budget; \$15,600,000 increase to replace non-recurring funds; \$10,000,000 to replace CMAQ funds; and \$4,000,000 for the expansion budget. The total budget needs for 2002-2003 is \$54,750,000 for public transportation in order to continue the programs that are in existence now. Discussion followed.

The future public transportation needs are outlined on page eight of handout #1. These needs include: \$15,000,000 for the 84 community transportation systems in rural areas; \$45,000,000 for urban and regional transportation programs; and \$40,000,000 for regional "New Start" fixed guideway planning and capital projects. Discussion followed.

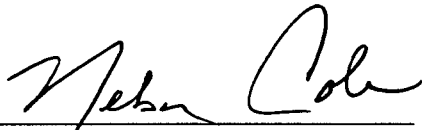
Senator Gulley then introduced the mayor of Durham, Mayor Tennison who talked about the transit system for the state and triangle area. The triangle area is heavily traveled with the problem becoming greater each day. A transit system is the alternative to the problem.

Jim Ritchie, Director of the Triangle Transit Authority, then spoke about the plans for a transit system. They plan to implement a regional or lighter rail similar to the one in Ottawa, Canada that will start this summer at Duke Medical Center and eventually go to North Raleigh. See handout #2, A Regional Transit Plan for the Triangle. The basic plan for these investments is 50% federal funds, 25% regional and 25% state funds. \$30,000,000 of state funds is needed in 2002 to match federal funds, \$37,500,000 of state funds in 2003 is needed, and in 2004, \$100,000,000 is needed to match federal funds. See handout #3, Charlotte-Mecklenburg Integrated Transit land-Use Plan, for detail plans for the Charlotte-Mecklenburg area. Discussion followed. Bill Carstenphen of Charlotte briefly followed up on the Charlotte-Mecklenburg Integrated Transit and stated that they hope the state will continue to be the partner that it has always been in transportation with local governments and to match that local share.

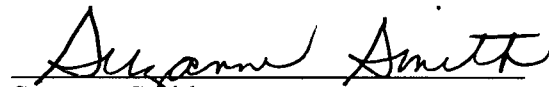
With time being a factor, the chair stated that the remaining speaker, Cameron Lee with DOT, will make his presentation at the next meeting on Wednesday, April 18, 2001 at 8:30 a.m. The meeting was then adjourned at 9:50 a.m.

Joint Appropriations Subcommittee on Transportation
April 17, 2001
Page 3

Respectfully submitted:



Representative Nelson Cole
Chairman, House Committee



Suzanne Smith
House Legislative Committee Assistant

Joint Appropriations Subcommittee on Transportation
Agenda

Tuesday April 17, 2001
8:30 a.m.

- I. Public Transportation Division Overview
 - i. Mission
 - ii. Organization
 - iii. Roles and responsibilities

- II. Public Transportation Programs and Budget Review
 - i. Programs
 - ii. Governor's 2002-2003 Budget
 - iii. Future Public Transportation Needs
 - iv. State Full Funding Grant Agreement

- III. Program Initiatives
 - i. In recognition of the importance of safety, NCDOT is working with each of the 84 community transportation systems to help them develop transportation safety plans.
 - ii. Rural, urban and regional transportation systems have acquired computers and communication equipment to allow them to improve their basic business practices. Future technology projects using automatic vehicle location devices, global position systems, automatic stop enunciators and passenger counters and software for scheduling and dispatching will allow the systems to further improve their customer service, planning and operating efficiency.
 - iii. Plans and projects are underway to provide for convenient and accessible transfer, maintenance and administrative facilities for transit customers and employees.
 - iv. Efforts are underway to develop and expand regional employment transportation programs in rural and urban areas to expand employers' employment base, improve work related transportation options, increase capacity of the highway system and help with air quality.

- IV. Q&A

Public Transportation Division Overview

Mission

“ It is the mission of the Public Transportation Division, in partnership with other public and private entities, to support and promote the availability of high quality public transportation services and partnerships throughout the state by delivering funding, technical assistance and leadership.”

Organization

The Public Transportation Division has thirty-one positions, with the majority of staff placed in one of three sections (see attached organizational chart) . The sections include Community Transportation, Metropolitan Transportation and Administrative Services.

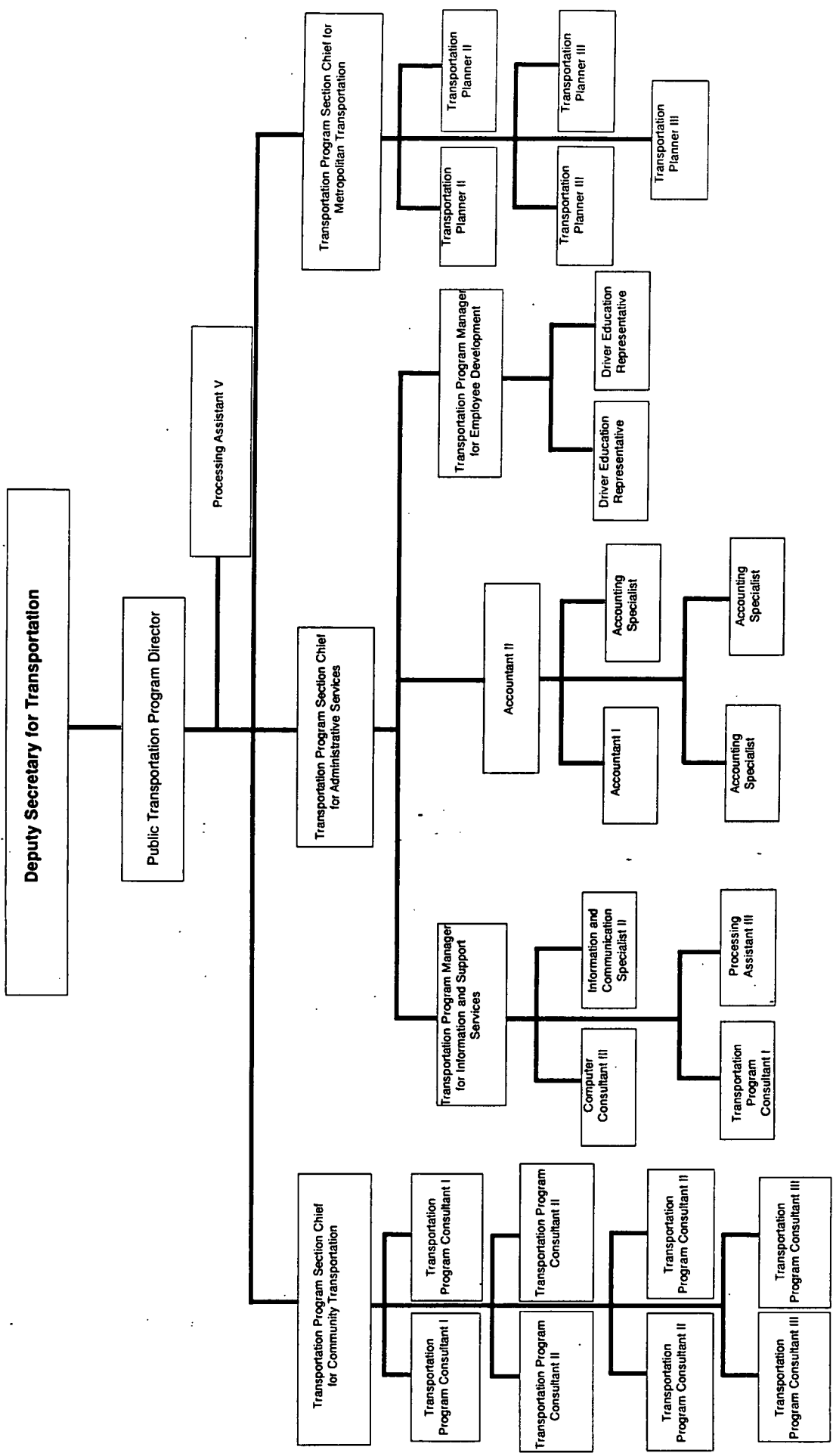
Roles and Responsibilities

The North Carolina Department of Transportation provides financial support to assist with the costs associated with capital, planning, operations and administration. The department’s financial support is used to match federal grants and provide state grants where federal grants do not exist or federal funds are insufficient to meet the need. Counties, cities, towns, regional transportation authorities and private non-profit agencies provide matching shares for federal and state grants. All state and federal transit funds provided by the North Carolina Department of Transportation must be approved by the North Carolina Board of Transportation, prior to obligation and disbursement. The North Carolina Department of Transportation is responsible for ensuring that public transportation funds approved by the Board of Transportation are used for the purpose for which they were intended and in accordance with generally accepted accounting principles.

The North Carolina Department of Transportation provides staff support through the Public Transportation Division to work with staff from local, federal and other state agencies to help the 125 rural, urban and regional transportation systems and planning programs to plan for and provide safe, efficient and effective transportation services.

Public Transportation Division staff work in partnership with local transportation staff to develop local and regional transportation plans, identify mobility needs and service options, allocate funds in a fair and equitable manner, manage funds, purchase vehicles, improve and construct facilities, coordinate transportation services between agencies and systems, develop programs policies and procedures and to identify opportunities for using technologies.

While public transportation is a federal, state and local partnership, ultimately, the provision of public transportation services is a local responsibility. Counties, cities, towns, regional transportation authorities, private non-profits and private companies provide public transportation services.



Public Transportation Programs

Types of Public Transportation Programs

With federal, state and local financial and staff support, counties, cities, towns, regional transportation authorities, private non-profits and private companies work to provide mobility options for citizens in rural and urban areas each day. There are 125 rural, urban, regional, carpool, vanpool, bus and planning programs in North Carolina. These programs include:

- 84 Community Transportation Systems,
- 18 Urban and Regional Transit Systems,
- 3 Regional Ridesharing Programs,
- 17 Metropolitan Planning Organizations, and
- 3 Regional "New Start" Fixed Guideway Planning and Capital Projects

From Manteo to Murphy and all areas in between, each day these programs work to plan and provide safe, efficient, reliable and convenient public transportation services.

Community Transportation Systems:

Community transportation systems provide coordinated human service transportation in all 100 counties. With approximately 1700 vehicles these systems carry people to work, doctor appointments, community colleges, nutrition sites and grocery shopping. In addition to coordinated human service transportation, 79 of the 84 systems provide service to citizens who are not clients of human service agencies, rural general public transportation. Counties are realizing that many of their citizens need transportation assistance and are not clients of human service agencies. Counties interested in and receiving funds to provide rural general public transportation service has grown from 43 in 1997 to 85 in 2001, and ridership has increased from 6 million in FY1997 to 6.5 million in FY1999. While the NCDOT encourages all counties to consider providing rural general public transportation, the type of transportation services provided is a local decision.

Community transportation systems receive 100% of the cost to provide human service transportation from human service agency contracts. The North Carolina Departments of Health and Human Services and Transportation work together to identify opportunities for improving and expanding human service transportation.

The North Carolina Department of Transportation provides financial assistance to support the cost of providing rural general public transportation. Financial assistance is also provided to assist with program administrative costs and planning studies, support the purchase of vehicles, improve or construct facilities and purchase computers and other forms of technology.

Urban and Regional Transit Systems:

Urban and regional transit systems provide fixed route bus services with approximately 500 vehicles and they provide paratransit services to meet the requirements of the Americans with Disabilities Act (ADA). Historically, bus service was provided on weekdays with limited night and weekend service and was primarily provided for people with either limited or no other options. Today, many cities and towns are rethinking their transit services and some have made major changes to their services or are planning changes. The City of Charlotte is working with the Cities of Gastonia and Concord to provide commuter service, the City of Wilmington has added service to the University and to Corning, the City of Goldsboro has started transit service and the Triangle Transit Authority is planning a major expansion in outlying areas.

A number of transit systems are considering alternative fuel buses to help with efforts to improve air quality. The City of Gastonia has decided to have a 100% compressed natural gas powered bus fleet and the Cities of Asheville, Greensboro, Hickory and Raleigh are considering compressed natural gas. The Cities of Charlotte and Durham are considering hybrid diesel-electric buses.

Local transit ridership has seen a steady increase over the past couple of years. Ridership increased by almost 3% from FY97 to FY98 and by over 5% from FY98 to FY99, when ridership exceeded 32.5 million passengers. A portion of this increase can be attributed to having a more dependable and reliable state funding source.

Regional Ridesharing Programs:

Regional ridesharing programs currently exist in the Charlotte, Triad and Triangle areas. These programs operate approximately 150 vanpools and provide alternatives to the single occupant automobile. Programs work with employers to encourage their employees to carpool, vanpool, ride the bus, use flexible work hours or provide preferential parking or a guaranteed ride home. With congestion and air quality and water quality concerns in many of the urban areas, there is interest in expanding the existing programs and supporting additional programs in Asheville, Fayetteville and Wilmington. Employers in the Research Triangle Park and Wilmington have shown a significant interest in participating in travel demand management programs for their employees.

Ridesharing programs match people who want to carpool and group individuals into vanpools and lease vans, recovering 100% of the operating costs. The North Carolina Department of Transportation provides financial assistance to support program administrative and capital costs.

Metropolitan Planning Organizations:

Metropolitan Planning Organizations (MPOs) exist in each area of the state with populations of 50,000 or more. MPOs are responsible for planning and prioritizing transportation projects in the area. The North Carolina Department of Transportation provides federal and state funds to assist with the MPOs' costs.

Regional "New Start" Fixed Guideway Planning and Capital Projects:

In several areas of the state, there is a realization that transportation needs and planning go beyond city and county geographic boundaries. In three areas of the state, the Metropolitan Transit Commission (MTC) in Charlotte/Mecklenburg, Piedmont Authority for Regional Transportation (PART) in the Triad and the Triangle Transit Authority (TTA), are working to undertake planning, engineering and environmental studies to develop fixed guideway projects.

The MTC is currently working on major investment studies for four corridors in the city and Mecklenburg County and developing a draft Environmental Impact Statement for a fifth corridor. Studies for the North, Northeast, West and Southeast Corridors will identify the locally preferred fixed guideway alternatives and are expected to be completed by January 2002. Work on an Environmental Impact Statement and Preliminary Engineering is underway in the South Corridor Light Rail Project and work is expected to be completed by summer 2002. Work on all five corridors include a series of meetings to obtain public input and are attended by staff from the Charlotte Area Transit System, the Charlotte Mecklenburg Planning Commission along with transit and land use consultants.

The Triangle Transit Authority has submitted the Draft Environmental Impact Statement (DEIS) to the Federal Transit Administration (FTA) for Phase I of the Regional Rail Project and it is reported that FTA's Regional Administrator has signed off on the document. Public comment and hearings and additional federal agency review will be scheduled in the near future before the Final EIS is completed. The Final EIS is scheduled to be completed by late summer or fall of 2001, with federal approval by fall 2001 or winter 2002. With the Final EIS approved, TTA will seek federal approval to begin final design and construction work. The current target for beginning service is 2007-08.

PART is working on two major transportation investment studies. An intercity rail study is investigating the feasibility of providing rail service from Raleigh to western North Carolina through Winston-Salem and a regional transportation alternatives study is looking at four corridors in the Triad and the appropriateness of four different transportation alternatives. Work on both studies is expected to be completed by the end of 2001.

A Regional Transit Plan for the Triangle

Hand 2

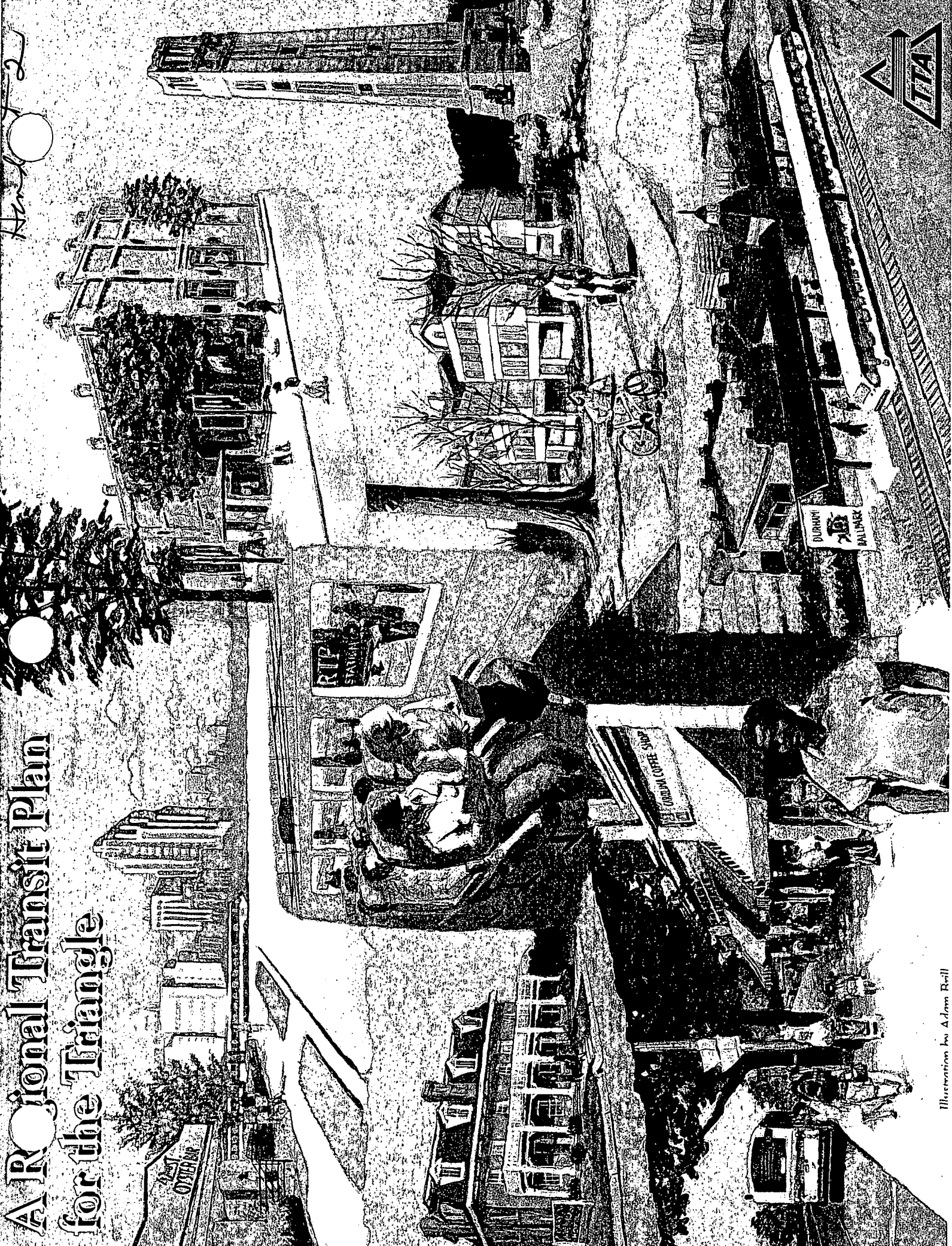
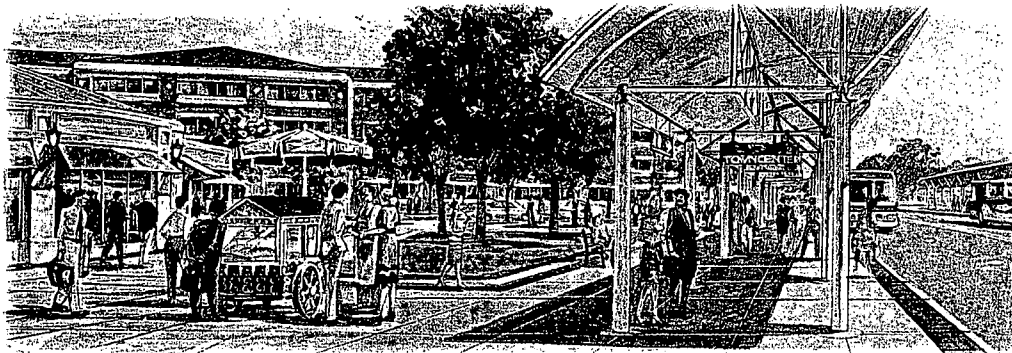
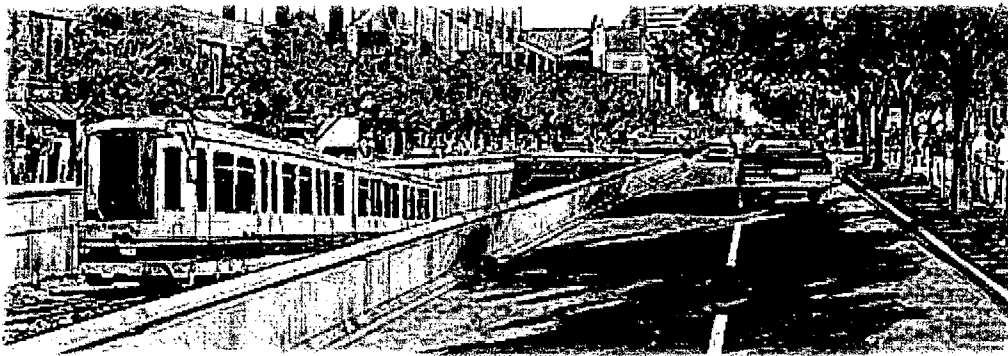
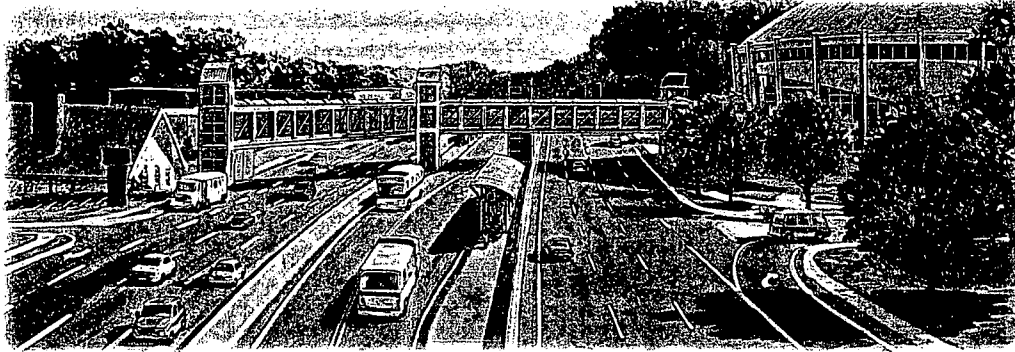


Illustration by Adam Reill

2025



Charlotte-Mecklenburg

Integrated Transit

Land-Use Plan

DEPARTMENT OF TRANSPORTATION
 CAPITAL IMPROVEMENT PROGRAM
 2001-02 BUDGET

ORDER	DIV.	LOCATION	PROPOSED IMPROVEMENT	APPROPRIATION
1	13	MARS HILL	SUB-MAINT. FACILITY, CONST.	\$369,000
2	DMV	RALEIGH	N.W. OFFICE, LAND PURCHASE	1,089,000
3	ALL	STATEWIDE	WATER AND SEWAGE SYSTEMS	357,000
4	ALL	STATEWIDE	SALT STORAGE FACILITIES	321,000
5	5	RALEIGH	M & T CHILLER REPLACEMENT	195,000
6	MULT	GREENVILLE	DMV/ SHP OFFICE, SHP GARAGE, LAND PURCHASE	390,000
7	6	FAYETTEVILLE	DIVISION COMPLEX, PHASE IIIa, CONST.(1)	2,000,000
8	DMV	WINSTON SALEM	OFFICE, LAND PURCHASE	142,000
9	1	UNION	BRD. MNT. WHSE./ LMBR. SHD./ BLACKSMITH SHOP	294,000
10	DMV	RALEIGH	CENTRAL OFFICE, LAND PURCHASE	1,298,000
11	9	WINSTON SALEM	NEW DIVISION OFFICE, CONST.	1,517,000
12	SHP	STATEWIDE	SHP GARAGE LIGHTING	180,000
13	ALL	STATEWIDE	ROOF REPLACEMENTS	412,000
14	DMV	STATEWIDE	FIRE ESCAPES	169,000
15	10	MONROE	EQUIPMENT SHOP, CONST.	1,267,000
TOTAL REQUIREMENTS				\$10,000,000
RECEIPTS				0
TOTAL APPROPRIATION/ HIGHWAY FUND				\$10,000,000

**DEPARTMENT OF TRANSPORTATION
CAPITAL IMPROVEMENT PROGRAM
2001 - 02 BUDGET**

Priority	Location	Description	Request
1.	Marshall Division 13	Contract a Sub-Maintenance facility Design Funds (\$30,000) FY 2000-01	\$ 369,000
2.	Raleigh DMV	N.W. Raleigh Office Land Purchase Replace DMV Facilities on Blue Ridge Road.	1,089,000
3.	Statewide	Water and Sewer Improvements Connect Existing Facilities to Public Utilities	357,000
4.	Statewide	Salt Storage Facilities Covered Storage for NPDES Permits	321,000
5.	Raleigh	Materials & Test Lab Chiller Replacement Replace Water Cooled Chiller with Air Cooled Unit	195,000
6.	Greenville Pitt County	New DMV/HP Facilities, Land Purchase Replace Existing Office Building & Shop at New Site	390,000
7.	Fayetteville Division 6	Division Complex Phase III A Construct Replacement Maintenance Facilities	2,000,000
8.	Winston-Salem DMV	New DMV Facilities, Land Purchase Replace Existing Patterson Ave. Facility	142,000
9.	Union Division 1	New Bridge Maintenance Facilities Warehouse, Lumber Shed, & Blacksmith Shed	294,000
10.	Raleigh DMV	New Central Office, Land Purchase Purchase Second Tract to Complete Site	1,298,000
11.	Winston-Salem Division 9	New Division Office Add Funding in Exchange for Existing Property	1,517,000

12.	Statewide SHP	State Highway Patrol Garage Lighting New Lights in Five HP Garages	180,000
13.	Statewide	Roof Replacements Roof Replacement Needs Statewide	412,000
14.	Statewide	Fire Escapes Fire Escape for Four Multistory Buildings	169,000
15.	Monroe Division 10	New Equipment Shop Construction Design Funds (\$110,000) FY 2000-01	1,267,000
		Total	<u>\$10,000,000</u>

SENATE PAGES:

Name:

Adam Cawaltney

Town:

Hillsborough

Sponsor:

Sen. Lucas

Name:

Town:

Sponsor:

HOUSE PAGES:

Name:

Rachel Thomas

Town:

Fayetteville

Sponsor:

Rep. Hurley

Name:

Brandon Webster

Town:

Nashville

Sponsor:

Rep. Tolson

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

4/17/01

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Scott McClellan	NC Public Transportation Association
M. W. Benson	Capital Group
Mike Stoney	NC DOT
Lyman Cooper	CSX
Natalie English	Charlotte Chamber
Scott Wickine	PAICT
Calvin Leggett	NC DOT
David Hertong	OSBPM
Beau Mills	NC Metro Coalition
David King	NC DOT
Jim Ritchey	TTA
DAVID EWING	NC DOT
Maurice Uy	OSBPM
Morilla Burton	NC DOT
Burt Tapaico	NC DOT
Betsy Williams	NC DOT
V. L. McBride	TTA
Cameron Lee	DOT
Ken Melton	Alley Associates
Donna Dyer	Duke Univ
Nick Tennyson	Mayor of Durham
FAT SIMMONS	NC DOT
J. R. Amundson	NC PTA
Tom Kallin	Max Van Allen
Bill Clinton	NY
Buc Castaneda	CATS
Richard Wickett	OTU

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

4/17/01

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Steen Lamm	United Transportation Union
Jane Pinsky	AAA Carolina
Margaret Westbrook	Kennedy Corporation
Barbara Conster	Manning, Fulton & Skinner
Charles Cymer	WCATL
Jan Taylor	Self
Timothy Lyple	" "
Srin Francis	Meck City



JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 18, 2001
8:30 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

General Services/Capital Budget

Cameron Lee
DOT

Rail

Pat Simmons
DOT

Joint Appropriations Subcommittee on Transportation
Wednesday, April 18, 2001
8:30 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 8:30 am on Wednesday, April 18, 2001 in Room 1228 of the Legislative Building. Four Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Barbee, Coates, Davis, Gulley, Hiatt, McAllister, Saunders and Sutton. Senator Wib Gulley presided.

Senator Gulley asked Mr. Cameron Lee to review the Department of Transportation (DOT) Capital Improvement Program (Handout #1). After Mr. Lee's review, a brief discussion followed regarding the Blue Ridge Road project in Raleigh, the Fayetteville project, and the Stanley County Prison facility that will be used by DMV. General comments were also made regarding the cost of the fire escapes and the cost of some of the land that is to be purchased for DMV projects.

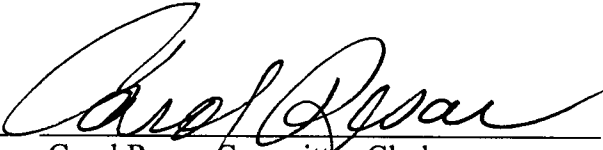
Next, Senator Gulley asked Pat Simmons Director of the DOT Rail Division to give his report on the Rail Division. Mr. Simmons told the Committee that 12% of the freight moved by rail originates in the State, 51% comes into the State and 37% passes through the State, but the State is best known for passenger rail. There has been steady growth in passenger rail with the Carolinian and The Piedmont trains and the daily routes of NY-Charlotte and Raleigh-Charlotte. The Rail Division is currently studying nine alternative corridors for rail service between Charlotte and DC, and North Carolina is working with Virginia on this project. Mr. Simmons also told the Committee that North Carolina is working with South Carolina and Georgia on other projects and the Southeastern Economic Alliance, made up of six states, is looking at high-speed rail service.

Next, Mr. Simmons reviewed the budget requests for the Rail Division (Handout #2). Questions from the Committee members followed his review including questions about the rail station renovation projects and how soon statewide rail service would be available. Senator Larry Shaw asked about a potential rail line from Fayetteville to Raleigh along the Cape Fear. Senator Shaw also asked about the travel time between Charlotte and Raleigh. Mr. Simmons said after all of the scheduled improvements are completed, the travel time would go from 3 hours-45 minutes to 3 hours.

The meeting was adjourned at 10:00 AM



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

DEPARTMENT OF TRANSPORTATION
 CAPITAL IMPROVEMENT PROGRAM
 2001-02 BUDGET

Handout #1

ORDER	DIV.	LOCATION	PROPOSED IMPROVEMENT	APPROPRIATION
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RECEIPTS				0
TOTAL APPROPRIATION/ HIGHWAY FUND				\$10,000,000

**DEPARTMENT OF TRANSPORTATION
CAPITAL IMPROVEMENT PROGRAM
2001 - 02 BUDGET**

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15.	Monroe Division 10	New Equipment Shop Construction Design Funds (\$110,000) FY 2000-01	1,267,000
		Total	<u>\$10,000,000</u>

Wednesday, April 18, 2001
 Joint Transportation Appropriations Committee
 8:30 am

Railroads

I. Budget Review

- i. Status of 2001 program
- ii. Governor's Budget-2001-02—2002-03
 1. Stable funding level in budget and TIP
 2. Continue Rail Program Funding at Current Level

Budget Request	Total	Recurring	Non-recurring
Train Operations	\$2,875,000	\$2,875,000	-0-
Sealed Corridor	\$1,750,000	\$1,750,000	-0-
Environmental Studies	\$1,750,000	\$1,750,000	-0-
Western NC Service	\$3,525,000	-0-	\$3,525,000
Improve Raleigh to Charlotte Travel Times	\$10,607,088	\$1,200,000	\$9,407,088
Industrial Access	\$1,000,000	\$1,000,000	-0-
Total	\$21,507,088	\$8,575,000	\$12,932,088

3. Funds to acquire Right of Way for Charlotte Multi-modal Station—\$15,000,000

II. Status of Service Initiatives

- i. North Carolina Railroad Improvement Project
- ii. Western North Carolina Passenger Rail Study
- iii. Eastern North Carolina—Wilmington

III. Station Program Activities

- i. Investments at stations with active service
- ii. Use of Federal vs State funds

IV. VA/NC High Speed Rail Commission (S9)

V. Federally Funded Private Crossing Safety Initiative

VI. Federal Tax Credit Bonds for High Speed Rail Development

VII. Q&A

PBS/

Western North Carolina Passenger Rail Study Fact Sheet

Between March 2000 and February 2001 the North Carolina Department of Transportation (NCDOT) conducted a feasibility study for providing passenger rail service to Western North Carolina. The department conducted travel and attitudinal surveys, evaluated current population density and travel patterns along the route, conducted a comprehensive analysis of the existing rail infrastructure and freight operations between Salisbury and Asheville, examined the potential operating costs, revenues and ridership, and estimated the capital costs of upgrading the Norfolk Southern infrastructure between Asheville and Salisbury for passenger rail service. Staff also evaluated the cost to purchase new train equipment versus the cost to rehabilitate used train equipment. Throughout the study process, the NCDOT worked with the nine communities in Western North Carolina that were evaluated as potential stops for passenger rail service: Salisbury, Statesville, Hickory, Valdese, Morganton, Marion, Old Fort, Black Mountain and Asheville.

The department evaluated four different scenarios as possible ways to extend passenger rail service from Salisbury to Asheville. Each scenario incorporated a detailed review of potential ridership and revenue, as well as probable costs of operation. In order to minimize operating cost and capture ridership on the heaviest travel days, two of the scenarios also included evaluations of four-day (Friday-through-Monday) service. The study did not address ways to include Winston-Salem in passenger rail service to Western North Carolina as those options are currently under study by the Piedmont Authority for Regional Transit (PART). The results of the PART study will be incorporated as appropriate when service to Western North Carolina is implemented.

Recommendations

Based on the projected number of passengers, revenues and costs, the best opportunity for successful service is a train that operates between Asheville and Salisbury and provides connections to a long distance train such as the *Carolinian* or a proposed New York-Atlanta train service (Alternate Four). The Salisbury to Asheville train could operate either daily or four days a week (Friday-Monday) to accommodate peak travel. The North Carolina Department of Transportation proposes a five-phase plan to bring passenger rail service back to Western North Carolina.

The plan begins with a thruway bus service that would run between Salisbury and Asheville, stop at each of the proposed stations and connect with the *Piedmont or Carolinian*. Bus service also could continue from Asheville to Knoxville, providing the only link to Amtrak service from eastern Tennessee. Meanwhile, the department would begin acquiring property and rehabilitating historic stations in Statesville, Hickory, Morganton, Marion, Black Mountain and Old Fort. Stations have been designed using local input and incorporate other community uses. More than \$5.7 million in Federal Transportation Enhancement funds has been dedicated in the department's Transportation Improvement Program to renovate the six historic stations during the next three years. Additional money will be needed to buy land and build new stations in Asheville and Valdese and remodel the existing station in Salisbury.

In the second phase, the department will begin negotiating an operating agreement with Amtrak and Norfolk Southern (NS). Also, the NCDOT and NS will begin major track and signal improvements to reduce travel time, improve safety and efficiency and increase capacity on the railroad.

The department will build new stations in Asheville and Valdese and platforms at all stations during the third phase. During the fourth phase, the NCDOT will purchase a new locomotive and renovate five used rail coaches to be used for the service. Also, a maintenance facility will be renovated at the Transportation Museum in Spencer. The final phase would include recruiting and training crews to operate the trains and beginning passenger train service between Salisbury and Asheville.

Recommended Schedule to Implement Western North Carolina Passenger Train

Phase	Cost	Timeframe (Fiscal Years)
Phase 1		
• Operate Amtrak Thruway Bus Service	\$264,625-268,275*	2002-2004
• Acquire property and renovate 6 historic stations	\$5,769,305	2002-2003
• Acquire property for Asheville and Valdese stations	\$320,000	2002-2004
Phase 2		
• Begin negotiations with NS/Amtrak for operations	no associated costs	2002
• Design 2 new stations and remodeling for 1 station	\$465,250	2003
• Make needed track improvements	\$22,443,000	2003-2004
Phase 3		
• Construct platforms/make track improvements at 6 historic stations	\$1,720,330	2003-2004
• Construct stations/ platforms for Asheville & Valdese, improve Salisbury	\$4,432,520	2004-2005
Phase 4		
• Rehabilitate 5 used rail cars; purchase 1 new locomotive	\$6,906,250	2004-2005
• Build maintenance facility at the Transportation Museum in Spencer	\$425,000	2004
• Build service facility in Asheville	\$375,000	2004
Phase 5		
• Recruit and train crews	\$267,000	2004-2005
• Operate passenger trains (4-day cost versus daily cost)	\$1.7-2.5 million*	2005

* Indicates annual costs

North Carolina Passenger Train Station Improvement Program

Overview—The primary purpose of the Station Improvement Program is to provide safe, clean, and functional passenger stations in cities that are served by Amtrak service. The program includes both restoration of historic stations and construction of new stations, as well as temporary modular stations that will remain in place until a permanent structure is completed. All historic stations are restored in accordance with the Secretary of the Interior's Standards and Guidelines and make use of federal Transportation Enhancement Program funding. All passenger facility improvements comply with the Americans with Disabilities Act. The Station Improvement Program also serves as a catalyst for downtown re-development, often incorporating multiple uses into the facility proper, but also attracting significant additional development to adjacent areas. More information about the program can be found at www.bytrain.org.

Rocky Mount—Rocky Mount's current train station was constructed in phases between 1893 and 1916, and is part of Rocky Mount's Historic District. The Phase 1 station restoration was completed in 2000, as well as the Phase 2 reconstruction of the platforms and canopy. The first floor houses Amtrak, the Rocky Mount Chamber of Commerce occupies the entire second floor, and there is leased office space on the third floor. The nearby Railway Express Agency (REA) building has been renovated to serve as a Rocky Mount Transit and intercity bus center and also houses a restaurant. A "commons" park will be built in front of the station to provide a visual link to downtown, along with improved driveways, parking and streetscaping.

Cost/Funding - \$7,380,000 Federal Enhancement Funds (for station); \$860,000 local funds (for property acquisition); \$630,000 Federal Transit Administration (FTA) funds (for the REA Building); \$575,000 local funds (for driveway/street planning and construction).

Project Status - Phase 1 construction began in January 1997 and was completed in November 2000. Phase 2 construction commenced in May 2000 and was completed in November 2000.

Wilson—The 1924 station is an excellent example of Flemish style architecture with Spanish terra cotta roof tiles, and is part of the Downtown Historic District. The station and canopy were completely restored in Phase 1 and now house an Amtrak ticket office and police substation. Phase 2 will include streetscaping, a 40-space parking lot and restoration of the adjacent Railway Express Agency (REA) building. The police substation will be relocated to the REA building and the existing baggage and waiting areas will be expanded.

Cost/Funding - Phase 1: \$1,342,000; Phase 2: \$1,150,000; Federal Enhancement Funds (80%), State (10%), and Local (10%).

Project Status - Phase 1 construction was completed in 1998; Phase 2 design is underway and construction will begin in early 2002.

Selma—The Selma Union Depot was built in 1924 as a joint passenger station for the Atlantic Coast Line Railroad and the Southern Railway. The masonry structure is on the National Register of Historic Buildings. Plans call for the complete rehabilitation of the building and canopies, and an expanded parking lot. Currently, the historic station building is closed, but passengers still use the station platform. A temporary modular station and platform will be completed in April 2001, allowing unobstructed restoration work to begin on the historic station.

Cost/Funding- \$2,718,000; Federal Enhancement Funds (80%), State (10%), and Local (10%).

Project Status: Design is completed and construction should begin in mid 2001.

North Carolina Passenger Train Station Improvement Program

Durham—The existing modular station was completed in 1996 and replaced a simple “bus stop” shelter. A new multi-modal center is planned which will include one of the old Liggett & Myers Tobacco Company warehouses. The new transportation center will include Amtrak, Durham Area Transit Authority (DATA) city buses, intercity buses, Triangle Transit Authority (TTA) buses, and taxis. It will be integrated into adjoining residential and commercial development.

Cost/Funding - Preliminary station cost estimated at \$10-12 million. In 1995 Durham voters approved \$5 million in bond revenues to go toward the multi-modal center; NCDOT and federal funds will pay for the balance of the project. To date NCDOT has provided \$175,000 in planning funds and \$1,000,000 towards preliminary engineering and property acquisition. An additional \$6,000,000 in Congestion Mitigation and Air Quality (CMAQ) funds have been budgeted in the 2002-2008 State Transportation Improvement Program for the project.

Project Status - Design work and negotiations on the property are underway. A schedule will be developed after property has been acquired.

Greensboro—The current Greensboro Amtrak station at Pomona has become severely overcrowded and is several miles from the downtown area. The downtown 1927 station will be restored to accommodate Amtrak, intercity and City buses. The historic 1927 Southern Railway Depot is one of North Carolina's most impressive passenger stations. Since the tracks are 14 feet higher than station level, a pedestrian subway extends under the tracks from the waiting area then up to the train platforms. The Phase 1 restoration will accommodate transit functions as well as civic events, a model railroad club, and a daycare center. The nearby REA building will house Greensboro Transit Authority bus service and city office space. Phase 2 rehabilitation will include reconstruction of the pedestrian track subway, track platforms, and a new baggage tunnel. A related phase of the North Carolina Railroad Improvement Project (NCRRIIP) will realign the tracks in the station area to improve capacity, speeds, and travel times. Amtrak service at the station will resume with the completion of Phase 2.

Cost/Funding – Phase 1: \$19,200,000; Phase 2: unknown; City of Greensboro, State, FTA, and FHWA.

Project Status – Phase 1: Construction should begin in mid-2001; Phase 2: unknown

High Point—The historic 1907 station is an excellent example of Richardson Romanesque architecture. The station lies in the heart of High Point's downtown. The station building is located at street level with the tracks and platform situated 30 feet below in an open cut. Plans call for the station to be completely rehabilitated. The old baggage room will be available for meetings and other community functions. Plans also call for the replacement of the canopy and platform, as well as of the pedestrian bridge connecting the station to High Point's city bus transfer center. A passenger elevator at the platform will provide ADA accessibility for the first time.

Cost/Funding - \$5,923,000; Federal Enhancement Funds (80%), State (10%), and Local (10%)

Project Status – Asbestos and lead paint abatement has been completed. Plans will be completed in mid 2001, and construction will begin in late 2001.

Kannapolis—The existing historic station is located near the Fieldcrest Cannon Mills factory several blocks north of the central business district. There are no clear records of ownership

North Carolina Passenger Train Station Improvement Program

for the depot. Therefore, a site for a new station has been chosen in the center of the CBD. A site plan is being developed with State and City participation.

Cost/Funding - \$2,400,000; State Transit 2001 funds (90%) and local match (10%)

Project Status - A conceptual plan will be completed in May 2001. Construction drawings will be prepared during 2001 and right of way acquired, and construction is slated for 2002.

Salisbury—Constructed in 1908 by the Southern Railway, the Salisbury Station is an excellent example of mission style architecture; it was designed by Frank Milburn. The building is part of Salisbury's Historic District. In 1984, the Historic Salisbury Foundation, Inc. acquired that station to save it from demolition. They raised over \$3 million in private donations and beautifully restored the main waiting room and other parts of the station. The North Carolina Department of Transportation contributed an additional \$1 million in enhancement funds to finish the restoration of the main building for civic purposes. The NCDOT also has contributed funds for the creation of a transitional park to the east of the station linking the downtown and the station. The NCDOT completed an enlarged temporary waiting room in December 1999.

Hamlet—The Hamlet station is the only Victorian Queen Anne passenger station in North Carolina. A two story wood structure, the Hamlet Passenger Depot was built in 1900 as a passenger station and division headquarters for the old Seaboard Air Line Railroad. CSX Transportation has sold the station building to the City of Hamlet for \$1. However, they have requested that the building be relocated off of railroad property, if it is to be restored and occupied. NCDOT and the City have determined that relocating the building is feasible and in its new location the restored building will serve as an anchor and catalyst for the continued redevelopment of the Hamlet Historic District. Phase 1 includes site work and station relocation; Phase 2 includes complete station restoration to accommodate Amtrak, the National Railroad Museum, community space, and leased office space.

Cost/Funding - Phase 1: \$4,492,000; Federal Enhancement Funds (\$3,306,000), State Funds (\$513,250), Local grants and donations (\$672,750).

Phase 2: \$1,900,000; Federal Enhancement Funds (80%), State (10%), Local (10%).

Project Status - Asbestos abatement will begin in May 2001; site work construction will begin in mid 2001; the station will be relocated in late 2001; lead-paint abatement and station restoration work will begin in early 2002.

Charlotte—Charlotte's Amtrak station is located two miles from of the center of Charlotte. It was built in 1968 after Southern Railway tore down its old uptown station and consolidated passenger operations to its Charlotte freight yard on Tryon Street. With increased passenger rail service, the station's small size and location is a hindrance for many passengers to and from Charlotte. Furthermore, the passenger operations must be relocated to accommodate the growing Norfolk Southern freight operations. A new station will be needed soon, as passenger levels at the current station doubled between 1992 and 1997. NCDOT has identified a site in uptown Charlotte for a multi-modal center incorporating intercity buses, regional transit, and rail. It is the site of the historic station that was razed in the 1960's. The new facility will handle upwards of 500,000 rail passengers annually by 2010.

Cost/Funding - A public/private partnership will fund and construct the project; \$13.5 million in Transit 2001 and state rail funds have been used to begin property acquisition, conduct preliminary engineering and environmental studies, develop cost estimates and coordinate with local transit and planning initiatives.

North Carolina Passenger Train Station Improvement Program

Project Status - NCDOT currently is acquiring property for the new facility and associated operations. Conceptual plans for the station and track improvements will be completed in mid-2001.

Raleigh—The current Amtrak station was built in 1950. It accommodates six passenger trains daily, and is one of the busiest stations in the South. During 1999-2000 Amtrak spent more than \$580,000 to expand the waiting room space, add a First Class passenger lounge, and additional long-term parking. However, recent studies have determined that a new station will be needed to accommodate over 500,000 passengers annually by 2015. Conceptual planning for a new multi-modal center is underway, and is scheduled for completion in mid-2001. The center will accommodate Amtrak, Triangle Transit Authority buses and regional rail, intercity buses, and Capitol Area Transit (CAT) buses. NCDOT, the City of Raleigh, and Triangle Transit Authority (TTA) are funding the planning phase.

Cary—Passenger rail service returned to Cary in May 1995 after the state built a small platform adjacent to the downtown municipal parking lot. In 1996, the Town of Cary completed the Cary Depot with assistance from the NCDOT-Division of Motor Vehicles and the Triangle Transit Authority (TTA). The Cary Depot is located where the NCR and CSX "S" lines meet and could eventually serve both lines for commuter and intercity rail. Because of the increased popularity of the station, NCDOT plans to extend the current platform along the NCR and construct a second platform along the "S" line. These improvements have not been funded or scheduled.

Burlington—Burlington's Interim Passenger Station was built by NCDOT with \$275,000 in Transit 2001 funds and opened to the public on March 23, 1999. The interim station includes a waiting room which seats 25, ADA accessible rest rooms for passengers, paved parking for 22 cars and 1 bus, and a 400' concrete boarding platform. In 1999 the General Assembly authorized the NCR to complete a plan to invest \$3,000,000 in dividends to restore the last remaining Company Shops building, possibly for use as a passenger station.

Fayetteville—The station was renovated in 1994 using some \$175,000 in local funds. In 1999 Amtrak used TRA funds for improvements to the platforms. State and City officials are slated to discuss development of a program of improvements.

Southern Pines—In 1996 Amtrak received an earmark of \$800,000 in Federal funds to complete a program of improvements. Amtrak and the City have completed design work and construction is slated for fall 2001.

Gastonia—State and City officials have met recently to assess the condition of the station and to develop a program of improvements.

Refer to the Western North Carolina Passenger Rail Study available at www.bytrain.org for information on proposed improvements at Salisbury, Statesville, Hickory, Valdese, Morganton, Marion, Old Fort, Black Mountain and Asheville.

High-Speed Rail Investment Act of 2001—Senate 250 and House _____

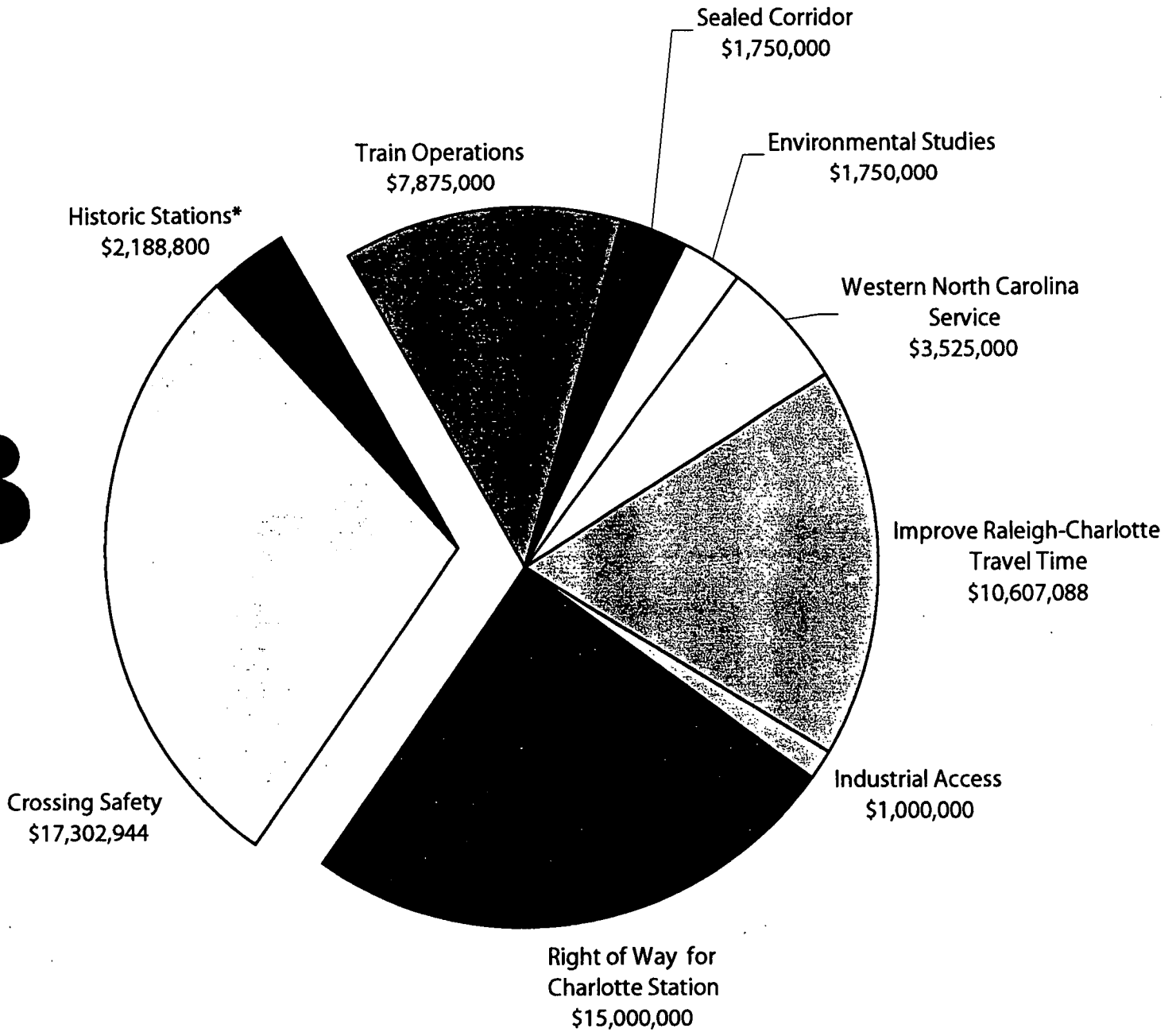
- Authorizes \$1.2 billion per year over the next 10 years in tax credit bonds for high-speed rail development. Government leverage is large with the total of \$12B in bonds representing an outlay of approximately \$4B in federal funds and \$2.4B in State funds. These numbers include neither transportation nor environmental benefits, job growth or revenue enhancements that would accrue as a result of the program.
- One or more States provides 20% match for bonds issued by Amtrak. State match invested for 20 years, combined with arbitrage and proceeds from sale of bonds at par, yields return of principal. Federal tax credits are issued in lieu of interest. Credit rate is equal to the average market yield on outstanding long-term corporate debt. Credits may be carried over and stripped.
- Eligible projects include acquisition of equipment, rolling stock and other capital improvements, including station reconstruction or construction, track and signal improvements, or the elimination of grade crossings for the improvement of train speeds or safety (or both) on the Northeast Corridor (Washington, DC to Boston, Mass.) and other federally designated high-speed corridors such as the Southeast High Speed Rail Corridor.
- NC Senators Helms and Edwards are original co-sponsors. All members of the NC Congressional delegation either sponsored or voted for similar legislation in the last Congress.
- S250 and the House companion bill will include some provisions that will need revision. House bill is likely to come before the Rail Sub-Committee of the House Transportation & Infrastructure Committee. Representative Howard Coble sits on the Rail Sub-Committee and is a senior member of the House T&I Committee.
- Legislative prospects are for hearings to be conducted and the bills to be included with the federal tax cut legislation reconciliation in late summer.
- NCDOT is completing environmental studies and preliminary engineering, and updating its capital investment plan in anticipation of adoption of the legislation.

RAIL DIVISION FUNDING

Fiscal Year 2001-2002

Federal Funds
32%

State Funds
68%



Total - \$60,998,832

* Includes state matching funds

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation
 Name of Committee

April 18, 2001
 Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Richard Woodcock	United Transportation Union
Stew Lamar	UNITED TRANSPORTATION UNION
Ruth Sappie	NCDOT
LYMAN COOPER	CSX Railroad
Milton Calford	OSBAM
David Herby	OSBAM
BERRY JENKINS	CAROLINAS AGC
DAVID P. BENDER	NCDOT
Samford T. Crow	NCDOT
V L McBride	NCDOT
Ken Melton	Atkey Associates
Meredith Benton	MDOT
Margaret Westbrook	Kennedy Covington
JANE PINSKY	AAA

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

April 18, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Mark Pearson	Capital Group
Dan McCorquodale	SIS
Mike Kun	NC State AFLCO
Natalie Engler	Charlotte Chamber
C. A. GARDNER	CAPA
Beau Mills	NC Metro Coalition
David Fessell	Hofen, Calkins & Fessell

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

April 19, 2001
8:30 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Rail Division (continued)

Pat Simmons
Rail Division, DOT

Aviation Division

William (Bill) H. Williams, Jr.
Aviation Director, DOT

MINUTES
JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
APRIL 19, 2001

The Joint Appropriations Subcommittee on Transportation met on Thursday, April 19, 2001, in Room 1228/1327 of the Legislative Building at 8:30 a.m. The following members were present: Presiding Chairman Jim Crawford, Representatives Barbee, Blue, Coates, Cole, Dockham, Saunders, and Sutton. Four Senate members were present. Staff to the committee, Evan Rodewald and Bob Weiss attended. Representative Crawford introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Rail Division (continued from April 18)

Chairman Crawford introduced Pat Simmons, DOT Rail Division, to complete his presentation from the previous day (handout). He completed discussion of the various stations, explaining the partnering with other entities for maximum benefit and using the multi-modal system when feasible such as the one in Charlotte. He referred to the map showing the Charlotte to Raleigh corridor improvement project locations. He said the Eastern North Carolina rail to Wilmington is part of the state's long-range plan. He commented on SB 250 that authorizes \$1.2 million/year for 10 years in tax credit bonds for high-speed rail development. The division received a Federal Railroad Administration grant of \$698 thousand and asked for a federal appropriation of \$700 thousand to implement a program dealing with private crossings.

Representative Cole asked for information on Norfolk-Southern closing crossings. Mr. Simmons was not aware of this, and Representative Cole asked him to look into the situation. Senator Carpenter brought up some previous legislation on access/crossings that had a sunset and questioned if we should re-look at this. Chairman Crawford asked staff to look into that. Mr. Simmons said he would submit responses to the previous day's questions at a later time.

Chairman Crawford introduced Bill Williams, DOT Aviation Director (handout). The mission of the division is to develop and maintain a system of airports in the state, promoting aviation safety, and supporting DOT and other state agencies with aircraft services. The division's budget includes \$1.9 million for administration, \$11.7 state aid to airports and \$17.4 million Federal State Block Grant. He explained the five-year planning process and priority system of getting dollars to various airports. He then explained some of the major issues/trends of the division: expansion of federal airport improvement program, community airline service recruitment, zoning ordinances, infrastructure maintenance, safety promotion, centennial celebration, and museum/hall of fame. Mr. Williams then described the division's performance measures that include feedback from users across the state.

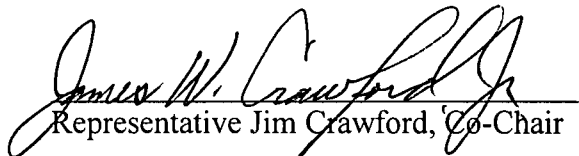
April 19, 2001

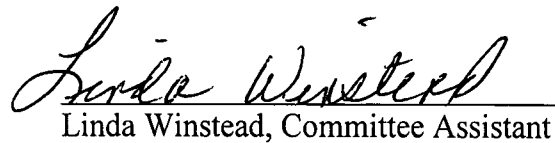
Representative Saunders asked about the consolidation of the state air fleet. Mr. Williams said DOT and Commerce management met to discuss the possibility. An announcement should be forthcoming from the Governor's Office.

Representative Sutton asked if the state had authority to mandate ordinances that supersede local authority. Mr. Williams was not aware of one but will research the issue. Representative Blue asked if there is any data on how much is generated from airports—gas tax, etc.—and where it goes. Mr. Williams responded that there is no easy way to accumulate the data but the tax revenue goes into the general fund.

Evan Rodewald pointed out that the Governors budget recommended taking \$5 million of the \$11.7 state aid to airports from the Highway Fund.

The meeting adjourned at 9:20 a.m.


Representative Jim Crawford, Co-Chair


Linda Winstead, Committee Assistant

Department of Transportation
Division of Aviation

Budget Appropriation

Mission

Organization Chart

Budget

FY 00-01	
Administrative Budget	\$ 1,996,390
State Aid to Airports	\$ 11,609,165
Federal State Block Grant Program	<u>\$ 17,412,108</u>
Total Budget	\$ 31,017,663

Positions

The Division currently has 28 positions. There are three operating sections: (1) Aviation System Development, (2) Aviation Safety and Education; and (3) Aircraft Services.

Major Issues/Trends

- Expansion of Federal AIP Program
 - Implications of AIR-21
 - Future Prospects
- Recruiting Community Airline Service
 - Concord Regional Airport
 - Dare County Regional Airport
 - Hickory Regional Airport
- Airport/Aviation Infrastructure Maintenance
- Lack of Adequate Zoning (Height Restrictions) at Local Airports
- Business Airport/Economic Development Tool
- Promoting Aviation/Aviation Safety
- Northhampton/Halifax Regional Airport
- 2003 Centennial Celebration
 - WorldFlight 2003
 - Support for WorldFlight 2003
- NC Aviation Museum/NC Aviation Hall of Fame

Performance Measures

- Provide Airport Facilities
- Correct Aviation/Airport Safety Deficiencies
- Increase All-Weather Capability at Airports
- Increase Safety Training for Pilots and Mechanics
- Increase Airport Maintenance Program

Department of Transportation
Division of Aviation

Budget Appropriation

Mission

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- Increase All-Weather Capability at Airports
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JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

May 1, 2001
8:30 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Manny Marbet, Deputy Secretary – Administration, DOT

- Transportation Administration

E.D. Walker, Chief Technology Officer, DOT

- Management Information Systems

Wayne Stallings, Chief Fiscal Officer, DOT

- Transportation Administration
- Transfers and Reserves

May 1, 2001

Department of Transportation
Office of the Secretary
Washington, D.C.

Joint Appropriations Subcommittee on Transportation
Tuesday, May 1, 2001
8:30 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 8:30 am on Tuesday, May 1, 2001 in Room 1228 of the Legislative Building. Four Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Coates, Gulley, and Sutton. Senator Wib Gulley presided.

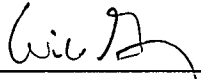
First, Senator Gulley asked Manny Marbet, Deputy Secretary-Administration with the Department of Transportation (DOT) to review the General Administration Division of DOT (Handout #1). After his review, Representative Bowie asked about the audit of federal funds. Mr. Marbet replied that all funds cannot be reviewed every year, and the funds are on a review schedule. Representative Crawford asked for an update on the suit by minority companies against the DOT. Mr. Marbet replied that the courts dismissed all the issues. Mr. Marbet reported that it cost \$700,000 to deal with the suits, but there were no damages paid as a result of the suits. Mr. Marbet further told the Committee that to insure compliance of federal laws, there are regular meetings with DOT staff and DOT staff has received additional training. Some Committee members voiced concern that there might be "fronts" in the Disadvantaged Business Enterprise Program, such as women fronting for their husbands.

Next, Mr. E.D. Walker, Chief Technology Officer with DOT, presented his report of the Management Information Systems (Handout #2). Mr. Walker told the Committee it was hard to recruit and maintain qualified Information Technology people because of the salary structure.

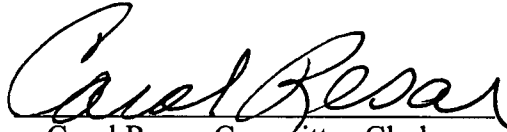
Next, Senator Gulley asked Mr. Wayne Stallings, Chief Fiscal Officer with DOT, to give a review of the Continuation Budget requests for the Transportation Administration (Handout #3). Mr. Stallings told the Committee that of the \$32 million Information Systems budget, \$18 million was for computer time, of which \$15 million was DMV related. Senator Gulley asked about the higher percent of costs for aviation and ferry operations compared to public transit. He would like to know if everything was being done as efficiently as possible. Mr. Stallings replied that the aviation line item included airplane operations, and Senator Gulley asked for that to be separated out of the line item figure. Also, he asked Mr. Stallings to see what the five peer states spend on rail, aviation, ferry and public transit compared to North Carolina. Mr. Stallings will get that information. Evan Rodewald, Fiscal Analyst, added that \$1.2 million was used to run airplanes, which left \$900,000 for aviation administration.

Finally, Mr. Stallings reviewed the Reserves and Transfers Budget Requests for DOT(Handout #4).

The meeting was adjourned at 10:00 AM



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk



Department of Transportation

**NORTH CAROLINA GENERAL ASSEMBLY
JOINT APPROPRIATIONS SUBCOMMITTEE ON
TRANSPORTATION**

APRIL 24, 2001

**North Carolina Department of Transportation
Manuel Marbet, Deputy Secretary for General Administration**

To

**North Carolina General Assembly
Joint Appropriations Subcommittee on Transportation
April 24, 2001**

Mission

To provide administrative services that support the department's overall mission by assuring compliance with federal/state fiscal accountability measures, compliance with federal civil rights laws, and maintaining NCDOT physical facilities statewide.

The Administration Section of the NCDOT provides crucial support functions that aid the Department in carrying out its responsibilities to employees, the highway contracting community, and the traveling public. The Administration Section re-organized in 1998, reports to the Deputy Secretary for Administration who in turn reports to the Secretary.

The Administration Section consist of the following units:

- General Services Division
- Internal Audit Section
- Office of Civil Rights and Business Development Section
- Management Assessment Unit

GENERAL SERVICES - The General Services Division consists of three sections with 111 positions. Facilities Design and Construction & Maintenance Units is responsible for planning and implementing the Department's capital improvement program and for maintaining all NCDOT facilities. The Property Management Unit maintains an inventory of the Department's 2,900 buildings and is responsible for property, leases, sales, acquisitions, and allocations. The Support Services Unit includes mail, stockroom, and reproduction services at the Transportation, Century Center, and Division of Motor Vehicle facilities. The Division's SFY2000 budget is \$16.7M. In addition, the General Assembly appropriated \$9M last year for the Department's capital improvement needs.

Key Issues:

- *consistent funding of the capital improvement program*
- *funding for increased building maintenance*

INTERNAL AUDIT - This Section audits federal-funded projects funded by USDOT and the Federal Highway Administration. Other audits conducted by this unit are: payroll, construction non-construction contracts, travel expenses, fixed assets, inventory imprest and utility accounts. In addition, this Section conducts special limited-scope studies and financial and/or compliance audits, as requested by management. There are 11 positions in this Section with an annual budget of \$663,000.

CIVIL RIGHTS – This Section is responsible for administering and certifying small women and minority-owned firms desiring to do contract work through the Disadvantaged Business Enterprise Program (DBE). The DBE is an integral part to the USDOT/FHWA's commitment to providing a level playing field for minority and women-owned highway contractors and suppliers. The federal regulations require the establishment of a goal program. Our current goal is 14.09% for the current budget year. The DBE goal for the previous year was 13.51%.

In addition, the Title VI officer conducts compliance reviews for federal-aid projects as well as eight major internal program areas, including Planning, Research, Design, Construction and Maintenance. The Minority Business (MB) and Women Business (WB) Development unit serve as coaches to DBEs. A private firm, the Bennington Corporation, is retained to provide technical assistance to these small companies. The Section's annual budget is \$351,568 for operating expenses. There is also an additional \$379,171 budgeted for the Bennington Corporation. There are 13 employees in this Section.

Key Issues:

- *Coming into full compliance with FHWA DBE regulations*
- *Uniformed Certification Program*
- *DBE Goals*
- *Improving the involvement of the Office of Civil Rights in the NCDOT*
- *Additional technical assistance to help expand DBE's M/WBE firms.*

MANANAGMENT ASSESSMENT - The Management Assessment Unit, which consists of 8 positions, has four functions: Parking and Central Files, Security, Telecommunications, Record Management. Parking and Central Files administer the Department's employee vehicle parking program and maintains all state and federal highway construction project records. The security section is responsible for physical security and loss prevention. The telecommunication section verifies the compliance with the Department's telecommunication's policy and identifies employee abuse/misuse and billing errors. The records management functions, performed by the unit's administrative assistant, involves coordination of records retention schedules and records storage, inventory, and disposal activities with the archives services in the Department of Cultural Resources. Management Assessment has a \$507,103 annual operating budget.

Key Issues:

- *acquiring uniformed security system for all NCDOT facilities*
locating adequate parking for approximately 1000 employees with only 500 available parking spaces

Summary of Continuation Budget: Transportation Administration

<u>Fund Code</u>	<u>Description</u>	<u>Page #</u>	<u>1999-00 Actual</u>	<u>2000-01 Authorized</u>	<u>2001-02 Recommended</u>	<u>2002-03 Recommended</u>	<u>Budget for Program</u>
Administration Program:							
0110	Board of Transportation	11	103,246	96,284	96,284	96,284	
0120	Public Affairs	11	1,146,239	1,239,236	1,237,573	1,237,573	
0130	Personnel	13	3,198,685	3,491,109	3,485,507	3,485,507	
0160	Management Assessment	14	496,619	507,103	508,655	508,655	
0170	Legal	15	1,015,626	1,068,257	1,056,045	1,056,045	
0190	Secretary, DOT	16	1,624,783	1,831,156	1,836,035	1,836,035	
0210	Financial Management	17	8,891,564	9,599,376	9,575,281	9,575,281	
0220	Information Services	18	48,655,280	32,609,251	32,608,241	32,608,241	
0240	General Services	20	16,221,778	16,747,505	16,544,446	16,544,446	
0250	Internal Audit	22	641,370	663,575	662,453	662,453	
0290	Departmentwide Costs	23	2,576,831	2,391,953	2,391,953	2,391,953	
Total			84,472,021	70,244,805	70,002,473	70,002,473	
Railroad Program:							
0640	Rail Division	82	494,839	563,086	562,074	562,074	8,575,000
Public Transit Program:							
0610	Bicycle Program	86	312,014	306,156	306,712	306,712	
0630	Public Transit	87	302,792	447,051	446,301	446,301	33,124,828
			614,806	753,207	753,013	753,013	33,124,828
Aviation Program:							
0350	Aeronautics	90	2,130,360	2,193,969	2,192,203	2,192,203	27,728,062
Ferry Program:							
0660	Ferry Division	93	1,190,224	1,186,629	1,186,457	1,186,457	19,747,132
Total for Transportation Administration			88,902,250	74,941,696	74,696,220	74,696,220	

Department of Transportation
Administration - Continued

84210 - Department of Transportation - Administration
0220 - Management Information Systems / PPB 8998 - Trans. Support Serv. & Admin. - Continued

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
ESTIMATED RECEIPTS				
0910 DIRECT CHARGES TO W/O'S	13,398	0	0	0
0914 TRANSFER FROM TRUST FUND	501,189	529,540	529,540	529,540
0920 OVERHEAD TRANSF. TO WO	677	0	0	0
0942 SALE OF SALVAGE, MTL & S	131	0	0	0
0953 REIMB-OTHERS	19,942	100,000	100,000	100,000
0999 TRANS PR YR DEF OBLIG	12,032,934	0	0	0
TOTAL RECEIPTS	12,568,271	629,540	629,540	629,540
HIGHWAY FUND APPROPRIATION	36,087,009	31,979,711	31,978,701	31,978,701

84210 - Department of Transportation - Administration
0240 - General Services / PPB 8000 - Transportation

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
NUMBER OF POSITIONS REQUIREMENTS	88.0	88.0	88.0	88.0
10A0 DISABILITY INCOME PLAN	4,970	0	0	0
1020 SALARIES AND WAGES	2,417,655	2,737,515	2,737,515	2,737,515
1030 TEMPORARY LABOR-HOURLY	62,309	5,000	5,000	5,000
1050 SAL & WAGES-LONGEVITY PA	46,152	49,145	50,145	50,145
1080 SAL & WAGES - OVERTIME	24,303	0	0	0
1090 SAL & WAGES-PREMIUM PAY	183	3,148	3,148	3,148
1110 INMATE LABORTLE HERE	2,250	0	0	0
1201 HOSPITALIZATION CONTRIB	164,692	198,528	198,528	198,528
1202 SOCIAL SECURITY CONTRIB	190,050	213,803	213,803	213,803
1203 RETIREMENT CONTRIBUTION	218,204	227,528	227,528	227,528
1215 CONTR PER SER OTHERS	12,880	0	0	0
1220 PAYROLL ADDITIVE	36,478	42,163	33,267	33,267
1223 P/R ADDITIVES-LONGEV PAY	693	760	608	608
1225 P/R ADDITIVES-OVERTI PAY	396	0	0	0
1226 P/R ADDITIVES-PREMIU PAY	2	49	38	38
223T TRAINING-DATA PROCES	0	1,000	1,000	1,000
2233 EDUCATIONAL EXPENSES	2,736	5,069	5,069	5,069
2236 EMP.IN-STATE SUBSISTENCE	9,209	10,183	10,183	10,183
2237 EMP.IN-STATE TRANSPORTAT	19,228	20,428	20,428	20,428
2238 EMP.OUT-OF-STATE SUBSIST	186	2,103	2,103	2,103
2239 EMP.OUT-OF-STATE TRANSPO	0	1,707	1,707	1,707
2240 EMP OTHER TRAVEL EXPENSE	633	621	621	621
2310 PROFESSIONAL FEES	12,490	15,000	15,000	15,000
2321 FREIGHT EXPRESS & DRAYAG	186,257	188,600	188,600	188,600
2322 TELEPHONE AND TELEGRAPH	49,121	57,374	57,374	57,374
2323 POSTAGE	4,507,506	4,590,853	4,590,853	4,590,853

Department of Transportation
Administration - Continued

84210 - Department of Transportation - Administration
0240 - General Services / PPB 8000 - Transportation - Continued

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
2330 RENTAL OF LAND & STRUCT	108,283	108,674	108,674	108,674
2336 WATER HEAT & POWER	1,792,264	1,802,066	1,802,066	1,802,066
2337 RENTAL OF PARKING SPACE	220	240	240	240
2341 REPAIRS & SERVICES-BLDGS	1,383,680	1,387,436	1,387,436	1,387,436
2342 REPAIRS & SERV EQUIP OTH	165,927	170,970	170,970	170,970
2344 JANITORIAL SERVICES	1,713,139	1,713,143	1,713,143	1,713,143
2347 REPAIRS & SERV DP EQUIP	409	9,400	9,400	9,400
2351 INSURANCE & BOND PREMIUM	586,715	586,746	586,746	586,746
2352 DUES SUBSCR PROMOT & ADV	20,128	20,265	20,265	20,265
2354 PAYMENT TO OTHER ST AGEN	448,974	455,243	455,243	455,243
2355 WASTE DISPOSAL	72,539	76,500	76,500	76,500
2410 OFFICE SUPPLIES	773,158	762,900	762,900	762,900
2411 PRINTING AND BINDING	10,983	11,000	11,000	11,000
2412 UNIFORMS, ARMS, ETC.	8,694	11,320	11,320	11,320
2413 SOFTWARE - DATA PROC	5,536	8,150	8,150	8,150
2414 VENDING MACHINE EXPENSE	439	0	0	0
2425 LANDSCAPE MAT & SUPPLIES	117	0	0	0
2427 ROAD SIGNS & SIGNALS	31	0	0	0
2428 BUILD & GROUND MAT & SUP	349,769	353,500	353,500	353,500
2441 REPAIR & REPLACEMENT PAR	4,144	8,994	8,994	8,994
2451 FUEL CHARGED TO EQUIPMEN	10,676	12,729	12,729	12,729
2469 MOTOR VEHICLES OPERATION	6,539	6,741	6,741	6,741
2471 ENGR & DRAFTING SUPPLIES	93,061	94,577	94,577	94,577
2473 PHOTOGRAPHIC SUPPLIES	685	2,530	2,530	2,530
2474 SHOP SUPPLIES & SMALL TO	5,933	10,000	10,000	10,000
2475 MEDICAL & SAFETY SUPP	1,455	7,623	7,623	7,623
2510 DATA PROCESSING EQUIP.	26,739	65,000	65,000	65,000
2511 OFFICE FURNITURE & EQUIP	95,111	284,437	89,437	89,437
2512 ENGR & DRAFTING EQUIPMNT	0	100	100	100
2515 MISCELLANEOUS EQUIPMENT	50,046	51,600	51,600	51,600
2516 NON-RENTAL ROAD EQUIP	0	500	500	500
2518 PURCHASE OF COMMUNICATN	548	12,500	12,500	12,500
2522 RENT OF EQUIP FROM EQ D	151,527	159,000	159,000	159,000
2523 RENT OF OTHER EQUIPMENT	72,096	77,327	77,327	77,327
2549 ENVIRONMENTAL PERMITS	50	0	0	0
2640 SERVICES BY OTHER HWY DE	93,729	95,717	95,717	95,717
2665 UNCOLLECTIBLE ACCOUNTS	8,851	10,000	10,000	10,000
2679 CARRY FORWARD APPROPRIAT	191,000	0	0	0
<hr/>				
TOTAL REQUIREMENTS	16,221,778	16,747,505	16,544,446	16,544,446
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Department of Transportation
Administration - Continued

84210 - Department of Transportation - Administration
0240 - General Services / PPB 8000 - Transportation - Continued

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
ESTIMATED RECEIPTS				
0910 DIRECT CHARGES TO W/O'S	9,770	0	0	0
0914 TRANSFER FROM TRUST FUND	1,040,046	948,416	949,134	949,134
0941 PROFIT LOSS ON SALE RENT	2,138	0	0	0
0942 SALE OF SALVAGE, MTL & S	47,968	21,000	21,000	21,000
0953 REIMB-OTHERS	139,358	5,000	5,000	5,000
0990 OTHER RECEIPTS	40	0	0	0
TOTAL RECEIPTS	1,239,320	974,416	975,134	975,134
HIGHWAY FUND APPROPRIATION	14,982,458	15,773,089	15,569,312	15,569,312

84210 - Department of Transportation - Administration
0250 - Internal Audit / PPB 8998 - Transportation Support Services and Administration

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
NUMBER OF POSITIONS REQUIREMENTS	11.0	11.0	11.0	11.0
1020 SALARIES AND WAGES	383,349	484,660	484,660	484,660
1030 TEMPORARY LABOR-HOURLY	0	330	330	330
1050 SAL & WAGES-LONGEVITY PA	9,951	14,213	14,213	14,213
1201 HOSPITALIZATION CONTRIB	20,186	24,816	24,816	24,816
1202 SOCIAL SECURITY CONTRIB	29,344	38,188	38,188	38,188
1203 RETIREMENT CONTRIBUTION	40,130	40,359	40,359	40,359
1220 PAYROLL ADDITIVE	5,618	6,958	5,883	5,883
1223 P/R ADDITIVES-LONGEV PAY	163	220	173	173
223T TRAINING-DATA PROCES	0	1,000	1,000	1,000
2233 EDUCATIONAL EXPENSES	80	300	300	300
2236 EMP.IN-STATE SUBSISTENCE	10,039	12,893	12,893	12,893
2237 EMP.IN-STATE TRANSPORTAT	7,109	9,750	9,750	9,750
2238 EMP.OUT-OF-STATE SUBSIST	3,437	4,373	4,373	4,373
2239 EMP.OUT-OF-STATE TRANSPO	421	1,500	1,500	1,500
2240 EMP OTHER TRAVEL EXPENSE	4,865	4,950	4,950	4,950
2310 PROFESSIONAL FEES	0	1,000	1,000	1,000
2322 TELEPHONE AND TELEGRAPH	4,622	5,313	5,313	5,313
2341 REPAIRS & SERVICES-BLDGS	310	500	500	500
2342 REPAIRS & SERV EQUIP OTH	1,083	2,250	2,250	2,250
2347 REPAIRS & SERV DP EQUIP	0	300	300	300
2352 DUES SUBSCR PROMOT & ADV	1,693	1,700	1,700	1,700
2410 OFFICE SUPPLIES	1,416	1,500	1,500	1,500
2413 SOFTWARE - DATA PROC	548	1,200	1,200	1,200
2473 PHOTOGRAPHIC SUPPLIES	7	300	300	300
2475 MEDICAL & SAFETY SUPP	210	252	252	252
2510 DATA PROCESSING EQUIP.	921	1,000	1,000	1,000

Department of Transportation
Administration - Continued

84210 - Department of Transportation - Administration
0250 - Internal Audit / PPB 8998 - Transportation Support Services and Administration - Continued

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
2511 OFFICE FURNITURE & EQUIP	14,839	3,750	3,750	3,750
2518 PURCHASE OF COMMUNICATN	1,029	0	0	0

TOTAL REQUIREMENTS	541,370	663,575	662,453	662,453

ESTIMATED RECEIPTS				

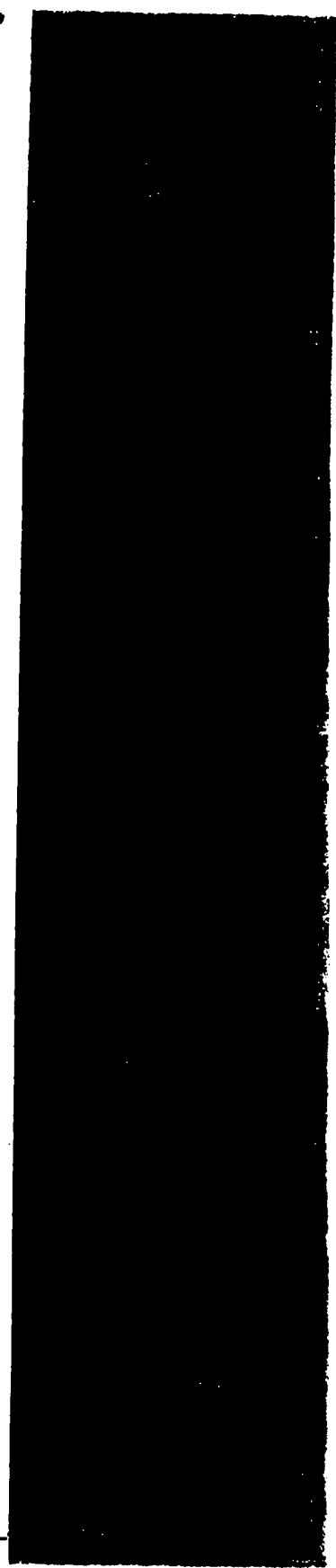
TOTAL RECEIPTS	0	0	0	0

HIGHWAY FUND APPROPRIATION	541,370	663,575	662,453	662,453

BUDGET PREPARATION SHEET I (DETAIL BY CENTER)

BUDGET PREPARATION SYSTEM

ACCOUNT	DESCRIPTION (1)	1999-2000 ACTUAL (2)	2000-2001 AUTHORIZED (3)	INCR/DECR (4)	2001-2002 TOTAL (5)	INCR/DECR (6)	2002-2003 TOTAL (7)
53 1020	SALARIES & WAGES	239,777	250,389	0	250,389	0	250,389
53 1050	SAL & WAGES-LONGEVIT PAY	9,181	10,752	0	10,752	0	10,752
53 1201	HOSPITALIZATION CONTRIBU	8,763	11,280	0	11,280	0	11,280
53 1202	SOCIAL SECURITY CONTRIBU	18,386	19,978	0	19,978	0	19,978
53 1203	RETIREMENT CONTRIBUTION	21,885	21,219	0	21,219	0	21,219
53 1220	PAYROLL ADDITIVES	3,526	3,342	-305	3,037	-305	3,037
53 1223	PAYROLL ADDITIVES-LONG P	129	166	-36	130	-36	130
53 223T	TRAINING-DATA PROCESSING	0	150	0	150	0	150
53 2233	EDUCATIONAL EXPENSES	0	70	0	70	0	70
53 2236	EMP.IN-STATE SUBSISTENCE	1,405	5,520	0	5,520	0	5,520
53 2237	EMP.IN-STATE TRANSPORTAT	2,426	9,707	0	9,707	0	9,707
53 2238	EMP.OUT-OF-STATE SUBSIST	804	1,346	0	1,346	0	1,346
53 2239	EMP.OUT-OF-STATE TRANSPO	452	800	0	800	0	800
53 2240	EMP OTHER TRAVEL EXPENSE	310	900	0	900	0	900
53 2322	TELEPHONE AND TELEGRAPH	7,857	8,500	0	8,500	0	8,500
53 2342	REPAIRS & SERV-EQUIP-OTH	0	500	0	500	0	500
53 2352	DUES, SUBSCRIPT, PROM AD	75	130	0	130	0	130
53 2410	OFFICE SUPPLIES	80	800	0	800	0	800
53 2413	SOFTWARE - DATA PROC	0	750	0	750	0	750
53 2441	REPAIR & REPLACEMENT PAR	8	100	0	100	0	100
53 2473	PHOTOGRAPHIC SUPPLIES	0	125	0	125	0	125
53 2510	DATA PROCESSING EQUIP	150	500	0	500	0	500
53 2511	OFFICE FURNITURE & EQUIP	0	2,150	0	2,150	0	2,150



Department of Transportation
Administration - Continued

84210 - Department of Transportation - Administration
0160 - Management Assessment / PPB 8998 - Transportation Support Services and Administration

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
NUMBER OF POSITIONS REQUIREMENTS	7.0	7.0	7.0	7.0

1020 SALARIES AND WAGES	240,173	249,048	249,048	249,048
1050 SAL & WAGES-LONGEVITY PA	5,895	4,047	6,047	6,047
1080 SAL & WAGES - OVERTIME	2,103	0	0	0
1090 SAL & WAGES-PREMIUM PAY	1,757	0	0	0
1201 HOSPITALIZATION CONTRIB	15,335	15,792	15,792	15,792
1202 SOCIAL SECURITY CONTRIB	18,788	19,362	19,362	19,362
1203 RETIREMENT CONTRIBUTION	21,956	20,388	20,388	20,388
1220 PAYROLL ADDITIVE	3,528	3,479	3,021	3,021
1223 P/R ADDITIVES-LONGEV PAY	104	63	73	73
1225 P/R ADDITIVES-OVERTI PAY	34	0	0	0
1226 P/R ADDITIVES-PREMIU PAY	26	0	0	0
223T TRAINING-DATA PROCES	705	945	945	945
2233 EDUCATIONAL EXPENSES	345	1,056	1,056	1,056
2236 EMP.IN-STATE SUBSISTENCE	1,248	1,483	1,483	1,483
2237 EMP.IN-STATE TRANSPORTAT	7,118	7,218	7,218	7,218
2238 EMP.OUT-OF-STATE SUBSIST	0	980	980	980
2239 EMP.OUT-OF-STATE TRANSPO	0	542	542	542
2240 EMP OTHER TRAVEL EXPENSE	153	670	670	670
2310 PROFESSIONAL FEES	145,504	146,910	146,910	146,910
2322 TELEPHONE AND TELEGRAPH	6,534	7,120	7,120	7,120
2337 RENTAL OF PARKING SPACE	240	240	240	240
2341 REPAIRS & SERVICES-BLDGS	9,898	10,000	10,000	10,000
2342 REPAIRS & SERV EQUIP OTH	385	618	618	618
2347 REPAIRS & SERV DP EQUIP	120	1,005	1,005	1,005
2352 DUES SUBSCR PROMOT & ADV	671	1,170	1,170	1,170
2410 OFFICE SUPPLIES	1,086	1,840	1,840	1,840
2413 SOFTWARE - DATA PROC	0	675	675	675
2428 BUILD-& GROUND-MAT & SUP...	0	167	167	167
2473 PHOTOGRAPHIC SUPPLIES	2,218	2,304	2,304	2,304
2475 MEDICAL & SAFETY SUPP	0	2,903	2,903	2,903
2510 DATA PROCESSING EQUIP.	2,888	2,900	2,900	2,900
2511 OFFICE FURNITURE & EQUIP	389	1,340	1,340	1,340
2518 PURCHASE OF COMMUNICATN	503	670	670	670
2522 RENT OF EQUIP FROM EQ D	6,805	1,800	1,800	1,800
2523 RENT OF OTHER EQUIPMENT	0	368	368	368

TOTAL REQUIREMENTS	496,619	507,103	508,655	508,655

ESTIMATED RECEIPTS				

0942 SALE OF SALVAGE, MTL & S	38	0	0	0

TOTAL RECEIPTS	38	0	0	0

HIGHWAY FUND APPROPRIATION	496,581	507,103	508,655	508,655

B1221

6220 DOT-OPERATIONS
2240 CONSTRUCTION
2240 72244

BUDGET PREPARATION SYSTEM
BUDGET PREPARATION WORKSHEET I (DETAIL BY CENTER)

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PAGE 96
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ACCOUNT	DESCRIPTION (1)	1999-2000 ACTUAL (2)	2000-2001 AUTHORIZED (3)	INCR/DECR (4)	2001-2002 TOTAL (5)	INCR/DECR (6)	2002-2003 TOTAL (7)
	REQUIREMENTS	315,214	349,174	-341	348,833	-341	348,833
	ESTIMATED RECEIPTS						
43 0914	TRANSFER FROM TRUST FUND	314,574	349,174	-341	348,833	-341	348,833
43 0990	OTHER RECEIPTS	638	0	0	0	0	0
	RECEIPTS	315,212	349,174	-341	348,833	-341	348,833
	HIGHWAY FUND APPROPRIATION	2	0	0	0	0	0

3244

020 - Sal. and Wages 325,767 379,842 379,842 319,842

030 - Temp. Salaries -0- 1,349 1,347 1,347 1,347

050 - Longevity 4,890 4,971 7,746 7,746

330,657 386,160 388,935 388,935

645,872 735,334 737,768 737,768

Total Requirement

Department of Transportation
Administration - Continued

84210 - Department of Transportation - Administration
0160 - Management Assessment / PPB 8998 - Transportation Support Services and Administration

	1999-00 <u>Actual</u>	2000-01 <u>Authorized</u>	2001-02 <u>Recommended</u>	2002-03 <u>Recommended</u>
NUMBER OF POSITIONS REQUIREMENTS	7.0	7.0	7.0	7.0

1020 SALARIES AND WAGES	240,173	249,048	249,048	249,048
1050 SAL & WAGES-LONGEVITY PA	5,895	4,047	6,047	6,047
1080 SAL & WAGES - OVERTIME	2,103	0	0	0
1090 SAL & WAGES-PREMIUM PAY	1,757	0	0	0
1201 HOSPITALIZATION CONTRIB	15,335	15,792	15,792	15,792
1202 SOCIAL SECURITY CONTRIB	18,788	19,362	19,362	19,362
1203 RETIREMENT CONTRIBUTION	21,956	20,388	20,388	20,388
1220 PAYROLL ADDITIVE	3,528	3,479	3,021	3,021
1223 P/R ADDITIVES-LONGEV PAY	104	63	73	73
1225 P/R ADDITIVES-OVERTI PAY	34	0	0	0
1226 P/R ADDITIVES-PREMIU PAY	26	0	0	0
223T TRAINING-DATA PROCES	705	945	945	945
2233 EDUCATIONAL EXPENSES	345	1,056	1,056	1,056
2236 EMP. IN-STATE SUBSISTENCE	1,248	1,483	1,483	1,483
2237 EMP. IN-STATE TRANSPORTAT	7,118	7,218	7,218	7,218
2238 EMP. OUT-OF-STATE SUBSIST	0	980	980	980
2239 EMP. OUT-OF-STATE TRANSP	0	542	542	542
2240 EMP OTHER TRAVEL EXPENSE	163	670	670	670
2310 PROFESSIONAL FEES	145,504	146,910	146,910	146,910
2322 TELEPHONE AND TELEGRAPH	6,534	7,120	7,120	7,120
2337 RENTAL OF PARKING SPACE	240	240	240	240
2341 REPAIRS & SERVICES-BLDGS	9,898	10,000	10,000	10,000
2342 REPAIRS & SERV EQUIP OTH	385	618	618	618
2347 REPAIRS & SERV DP EQUIP	120	1,005	1,005	1,005
2352 DUES SUBSCR PROMOT & ADV	671	1,170	1,170	1,170
2410 OFFICE SUPPLIES	1,086	1,840	1,840	1,840
2413 SOFTWARE - DATA PROC	0	675	675	675
2428 BUILD-& GROUND-MAT & SUP	0	167	167	167
2473 PHOTOGRAPHIC SUPPLIES	2,218	2,304	2,304	2,304
2475 MEDICAL & SAFETY SUPP	0	2,903	2,903	2,903
2510 DATA PROCESSING EQUIP.	2,888	2,900	2,900	2,900
2511 OFFICE FURNITURE & EQUIP	389	1,340	1,340	1,340
2518 PURCHASE OF COMMUNICATN	503	670	670	670
2522 RENT OF EQUIP FROM EQ D	6,805	1,800	1,800	1,800
2523 RENT OF OTHER EQUIPMENT	0	368	368	368

TOTAL REQUIREMENTS	496,619	507,103	508,655	508,655

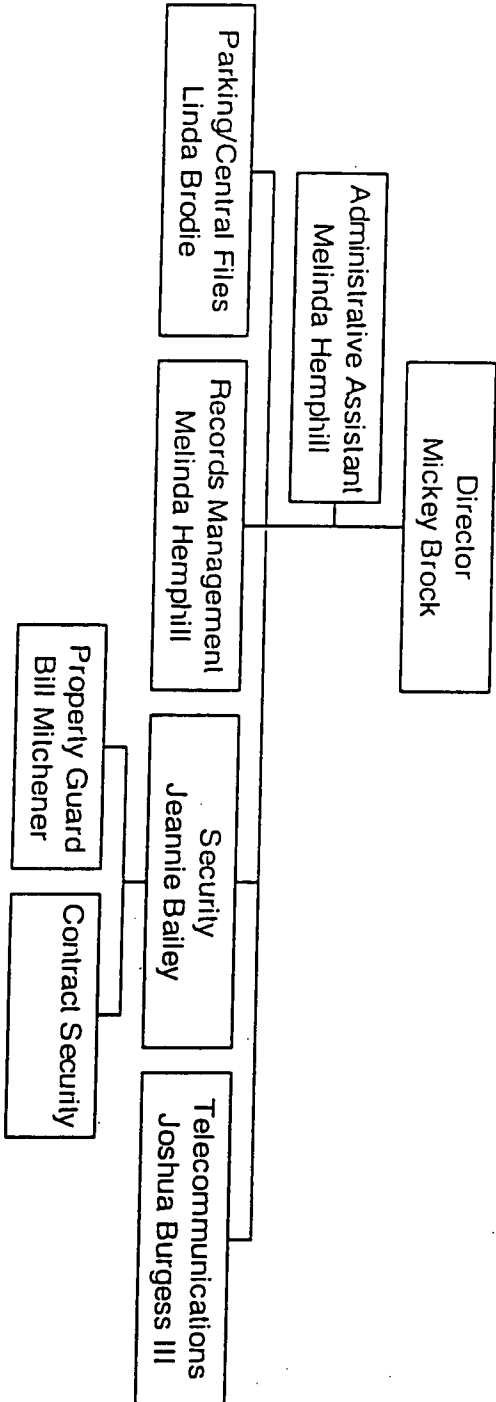
ESTIMATED RECEIPTS				

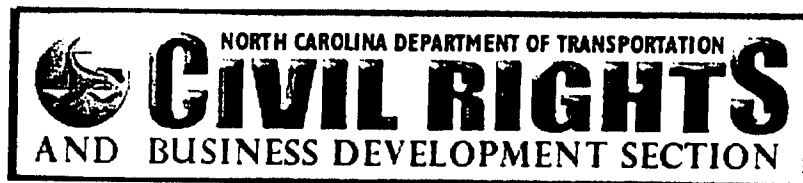
0942 SALE OF SALVAGE, MTL & S	38	0	0	0

TOTAL RECEIPTS	38	0	0	0

HIGHWAY FUND APPROPRIATION	496,581	507,103	508,655	508,655

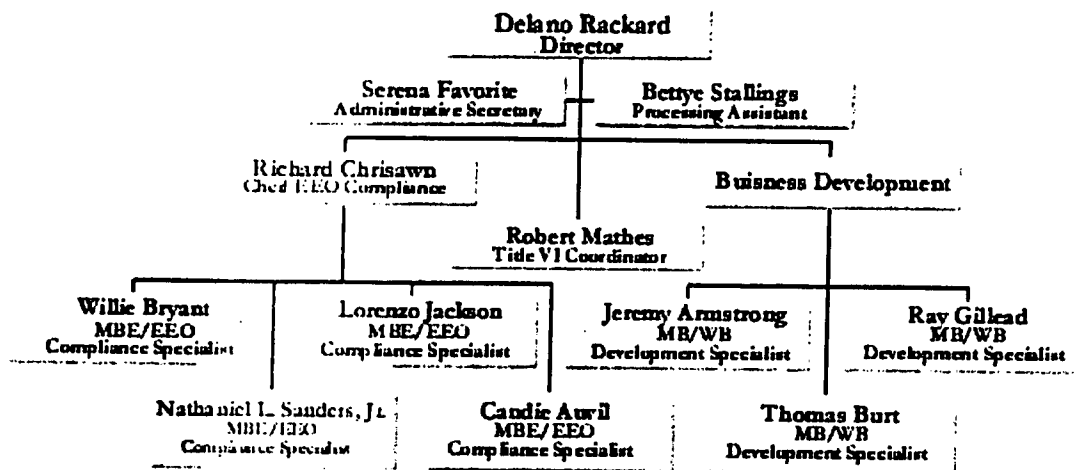
Management Assessment





Mission Vision Values Personnel

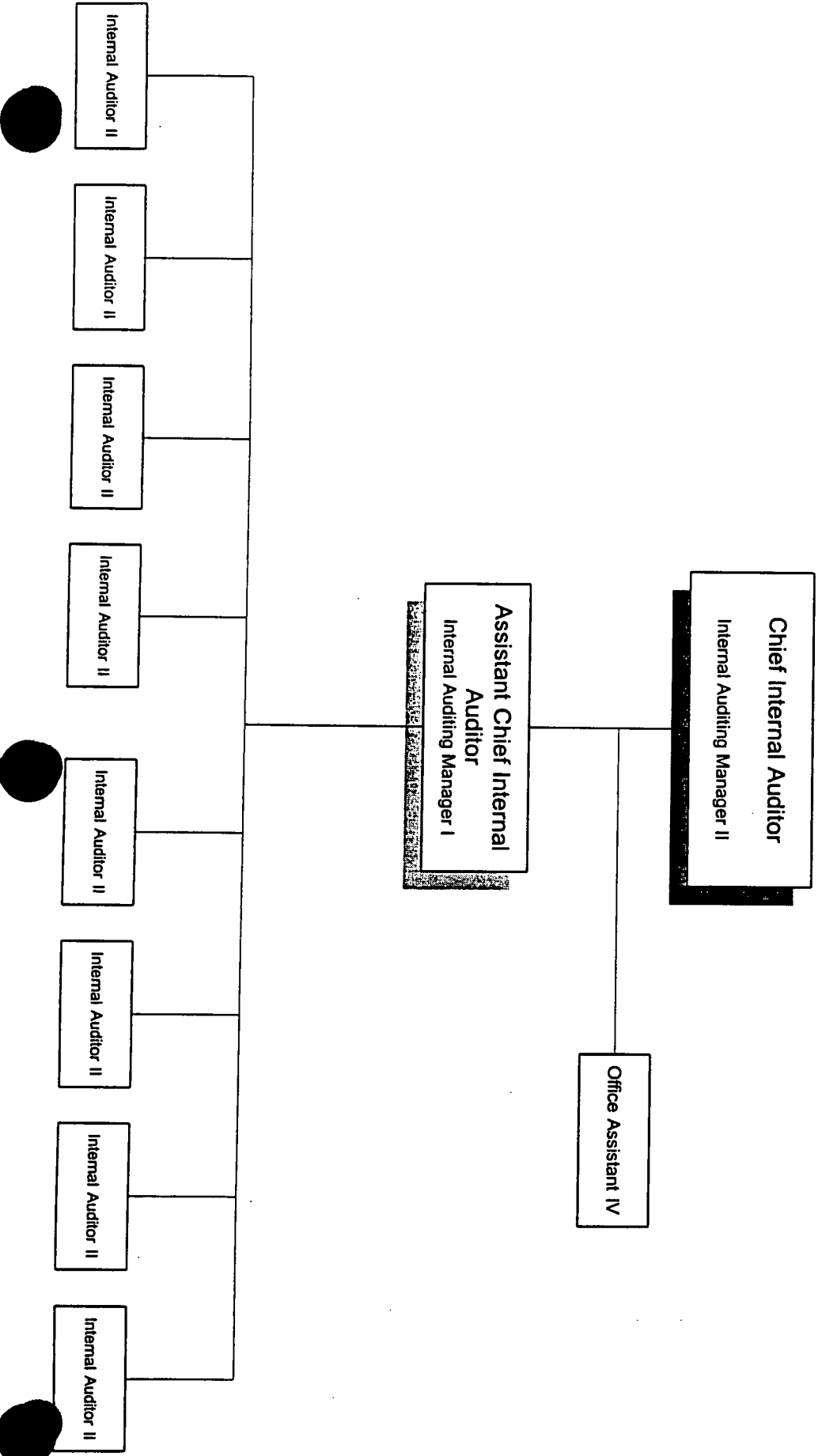
Organizational Chart



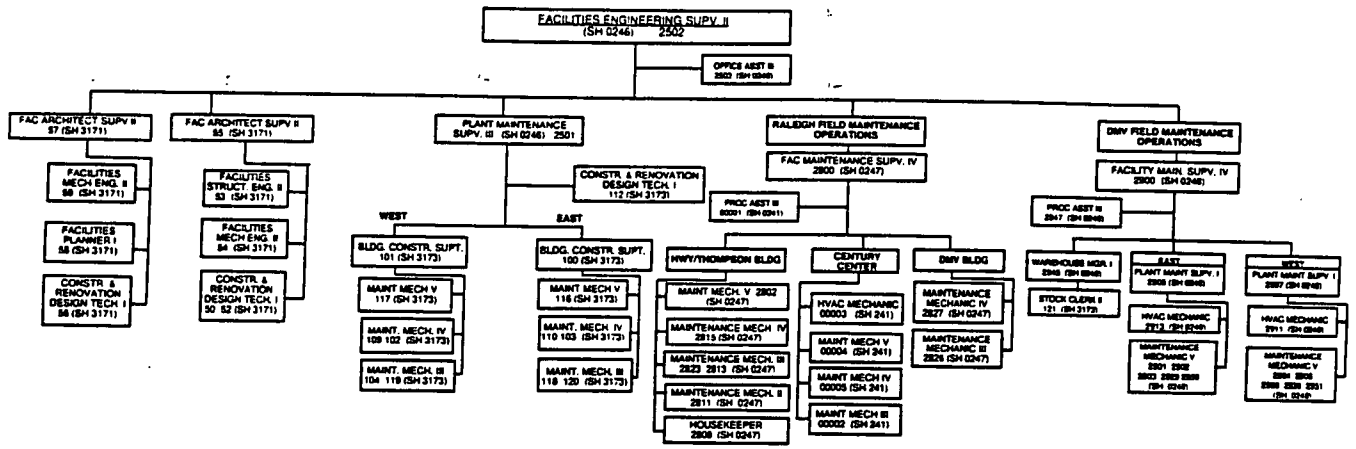
◀ Back

For any questions about this page, please contact:
 NCDOT Webmaster -- webmaster@dot.state.nc.us

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION INTERNAL AUDIT SECTION



SIGNATURE *Carroll W. Lee, Jr.*
 TITLE *Director - General Services* FACILITIES DESIGN, CONSTRUCTION & MAINTENANCE
 1-06-98

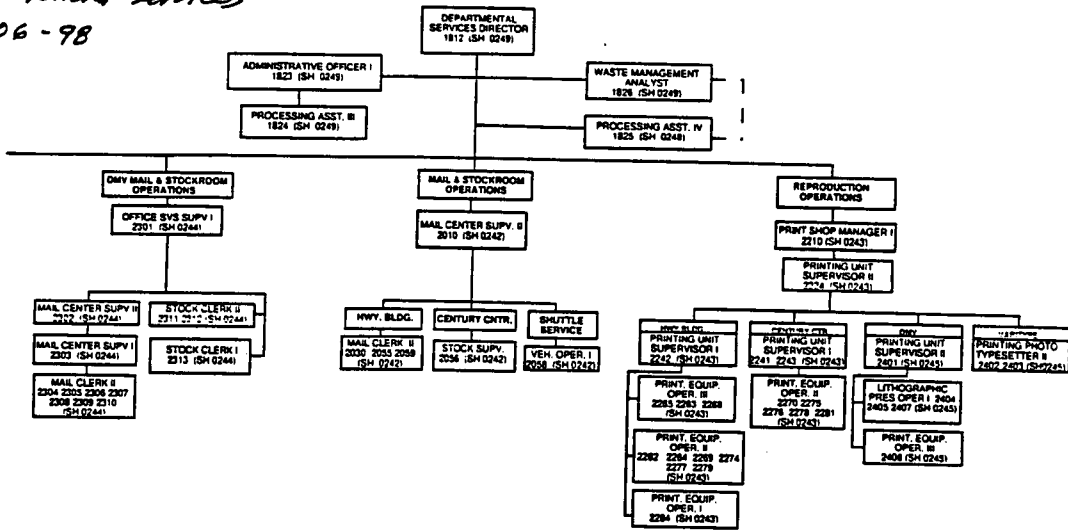


REVISED 01 98

SIGNATURE
TITLE

Cameron W. Lee, Jr.
Director, General Services
1-06-98

SUPPORT SERVICES



REVISED 01 98

SIGNATURE
TITLE

Cameron W. Lee, Jr.
State Operations Engineer

GENERAL SERVICES

STATE OPERATIONS
ENGINEER
FACILITIES ENGINEERING DIR. I
(SH 0246) 2504

STAFF ENGINEER
FACILITY CONSTRUCT. ENG. II
(SH0246) 2505


PROCESSING ASST. IV
(SH 0246) 2506

FACILITIES DESIGN, CONSTRUCTION & MAINTENANCE
FACILITIES ENGINEERING SUPV II 2502 (SH 0246)

LEASES, PROPERTY ACQUISITIONS, FIXED ASSET INVENTORY
REAL PROPERTY AGENT I 2507 2508 (SH 0246)


SUPPORT SERVICES
DEPARTMENTAL SERVICES DIRECTOR 1812 (SH 0249)

REVISED 07 97




Information Technology

Chief Technology Officer
E. D. Walker




Mission Statement

To provide information technology leadership by delivering equipment, services, training and support for the development and maintenance of a safe and efficient transportation system, and provide additional leadership by seeking cost effective solutions to support business and citizen interaction in an electronic, online future.



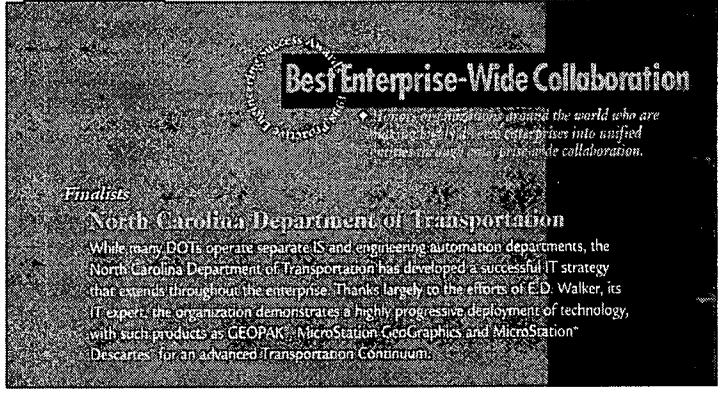
Information Technology

- Leads the nation in Automation of Engineering processes
- NCDOT is 2nd only to California DOT in Computer Aided Drafting & Design (CADD) - 1700 CADD workstations statewide
- International award received from Bentley for our Automation efforts
- Increased design projects 500% since 1986 with no increase in design staff



Information Technology Awards

1998 Proactive Engineering Success Award




Best Enterprise-Wide Collaboration

Transcends national boundaries around the world who are linked online to connect enterprises into unified business processes and provide collaboration.

Finalists
North Carolina Department of Transportation


While many DOTs operate separate IS and engineering automation departments, the North Carolina Department of Transportation has developed a successful IT strategy that extends throughout the enterprise. Thanks largely to the efforts of E.D. Walker, its IT expert, the organization demonstrates a highly progressive deployment of technology, with such products as GEOPAK[®], MicroStation[®] GeoGraphics and MicroStation[®] Descartes[®] for an advanced Transportation Continuum.



Information Technology Organization

```

    graph TD
      EOW[E.D. Walker  
Chief Technology Officer  
6] --- SM[Steven Hubey  
Project Management  
6]
      EOW --- PLE[Paul Lee, PE  
Engineering Transportation  
44]
      EOW --- BW[Brian Watkins  
Technical Services  
20]
      EOW --- KW[Kelly Wiser  
BSIP Technical  
20]
      EOW --- DJ[Don Jerman  
Database Management  
11]
      EOW --- DMV[DMV  
Business Systems  
35]
      EOW --- ET[Emerging  
Technologies  
13]
  
```



Information Technology Budget

Budget Code	Title	Positions	Budget
0221	Information Technology	97	\$25,497,000
0222-0229	DMV Dev. & Support (Contractors)	* 55	\$7,112,251
	Information Services Total	152	\$32,609,251
2360	Computer Systems	5	\$455,000
	Total	157	\$33,064,251

* Contractors = non-state employees



Information Technology

Division of Motor Vehicle (DMV)
Systems



DMV Systems

- State Titling and Registration System (STARS)
- State Automated Driver's License System (SADLS)
- International Registration System (IRP)
- Motor Carrier Services (MCS)
- Liability Insurance Tracking and Enforcement System (LITES)
- Enforcement



State Titling and Registration System

STARS

- Provides fully automated titling, registration, and other DMV services for over 7 million vehicles
- 750,000 to 1,000,000 transactions processed daily
- Generates 10,000 to 12,000 titles daily
- Considered nationwide as a model system
 - Demonstrated to 14 states



STARS

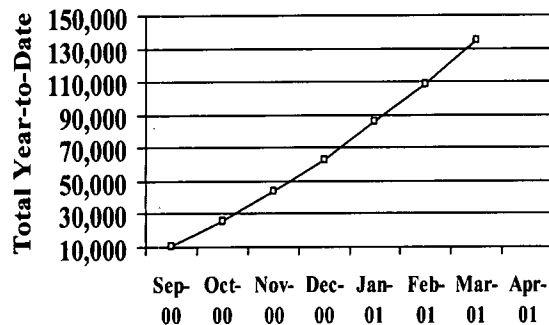
Registration Renewal via Internet

- First NC Government E-Commerce System
- Allows vehicle registration renewal 24 hours a day
 - Reduces the number of people in line at DMV offices
 - Reduces traffic and air pollution
- Registration via telephone to be implemented December 31, 2001



STARS

Registration Renewal via Internet



State Automated Driver's License System

SADLS

- Provides Driver's License Services for over 6 million citizens
- 900,000 transactions processed daily
- Several states have studied SADLS as a model for new driver's license systems
- Duplicate Driver's License via Internet (April 2001)
 - Approximately 200,000 eligible
 - Reduces traffic and air pollution



Enforcement

- Database contains over 60,000 citation records
- Over \$24 million in citation fines collected since implementation in 1997



Information Technology

Business Systems Improvement Project
(BSIP)



BSIP

Business Systems Improvement Project

- Implementation of new Management and Financial Information System
- Pilot program for Fiscal System for other state agencies
- IT staff of 20 with responsibility for Infrastructure, Development, and Training
- Go Live Date - July 1, 2002



Information Technology

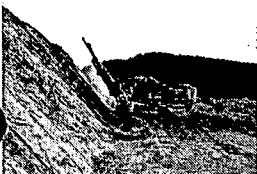
Software Development and Support
for Division of Highways



Rock Slope Evaluation Software

Reduces the potential of rock slope failure

- Evaluates optimum rock
- Saves millions of dollars
- Increases safety
- Developed by NCDOT



Design File Checking Software

Checks the validity of designs to ensure accuracy

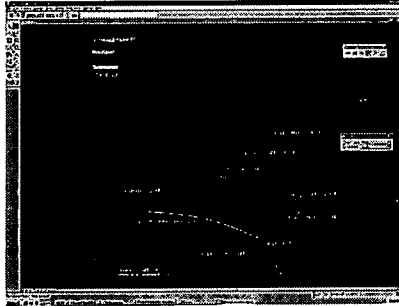
- Saves 6,500 hours per year vs. manual checking
- Insures accurate material quantities
- Initial costs savings of \$980,000
 - Available on open market for \$1 million
 - Produced by DOT for only \$20,000



Rock Quarry Maps

Determines most cost effective means for aggregate transit

- Performs 4 hours of manual work instantaneously
- Produces least cost maps for project sites
- Saves maintenance money by reducing aggregate costs



NCSmartLink.org

Provides Internet access to traffic cameras

- Provides real-time digital images of road conditions across the state
- Used by TV stations to produce traffic reports
- Easy access through the internet



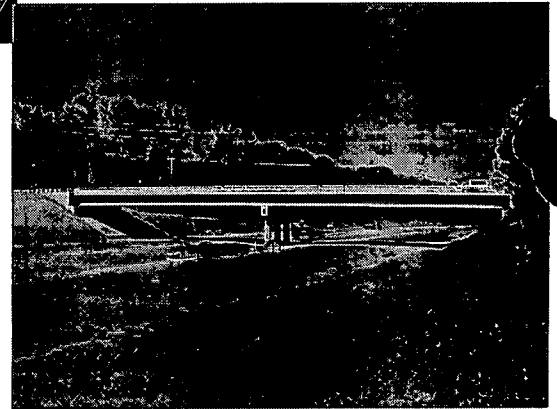
NC Bridge Design System

Automates bridge design calculations and drafting

- Streamlines the bridge design process
- Approximate savings of \$450,000 annually
 - Saves nearly 150 man-hours per bridge
 - NCDOT annually lets to contract 45 - 50 bridges designed by the program
 - These figures will increase as enhancements are made to the Bridge Design System



NC Bridge Design System



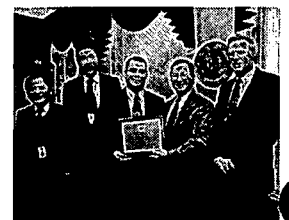
NC Bridge Design System

- Awarded first place for Labor Hour Savings for NCDOT in 1999
- Awarded Overall Best Continuous Process Improvement for NCDOT in 1999



NC Bridge Design System

- Recognized Nationally by AASHTO





Information Technology Engineering Application Services



Engineering Application Services

- CADD Support and Training
- Computer Utilization
- Visualization



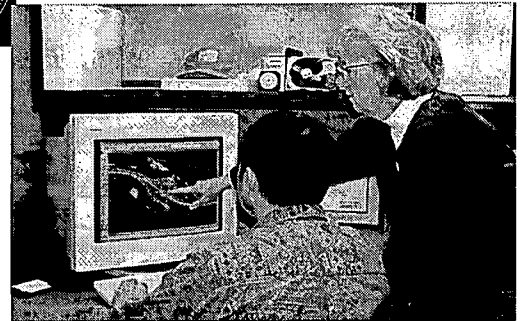
Pre-CADD Design



Approximately 6 Projects per Project Engineer's Group



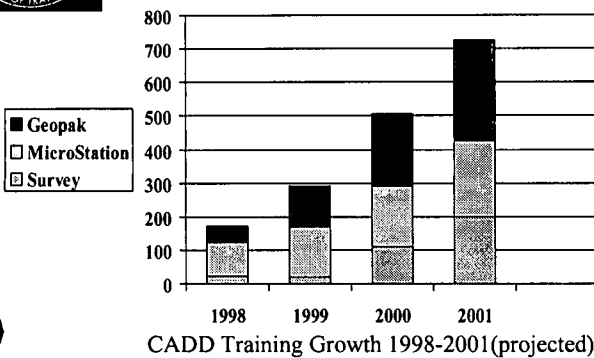
CADD Design



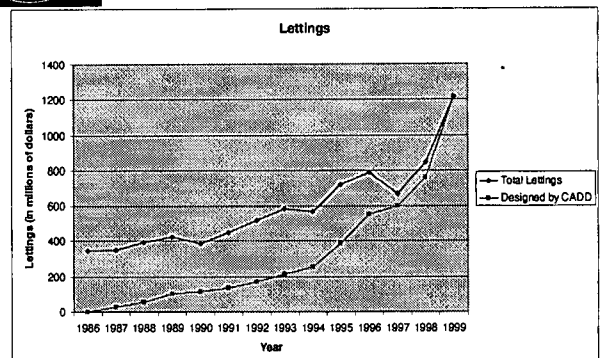
Approximately 30 Projects per Project Engineer's Group



CADD Training

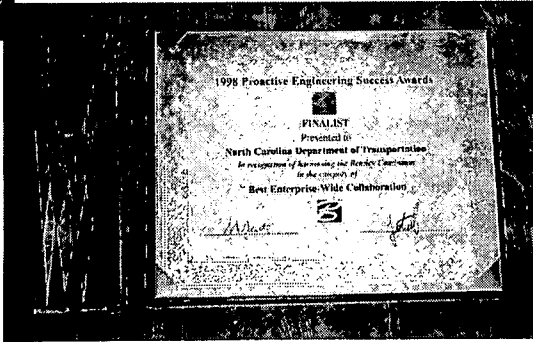


Computer Utilization





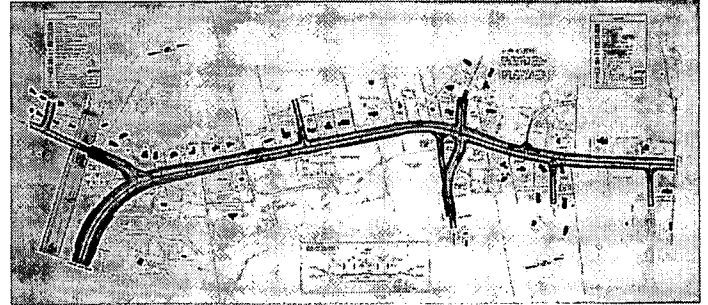
1998 Proactive Engineering Success Award



Best International Enterprise-Wide CADD software Collaboration



Visualization - Old Method



Visualization - New Method



Information Technology

Technical Services



Technical Services

- Supports more than 7,000 PC workstations in more than 650 locations with 50 technicians statewide
- Operates e-mail, Help Desk and PC training for over 7,000 customers



Network Support

- Maintains all interior networking for 650 DOT sites, including DMV
- Maintains over 20,000 network connections
- Provides emergency services for DOT forces during natural disasters



Information Technology

Database Management

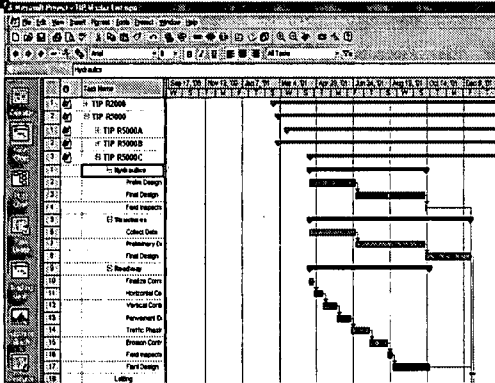


Database Management

- Mainframe DB2
 - Maintains operational average of over 100 transactions per second
- Client/Server Oracle
 - Maintains seven production servers and twelve test servers in two locations
- Project Management Improvement Initiative
 - Improves the ability of all levels of management to assess and control project resources in the Transportation Improvement Plan (TIP)



Project Management Improvement Initiative



Information Technology Summary

- Internationally recognized as a leader in CADD software management
- Award-winning application systems
- Increase productivity with existing staff levels
- Provides cost savings for all of DOT
- Leads state government in Oracle database implementations

Handout #3

Summary of Continuation Budget: Transportation Administration

Fund Code	Description	Page #	1999-00 Actual	2000-01 Authorized	2001-02 Recommended	2002-03 Recommended	Budget for Program
Administration Program:							
0110	Board of Transportation	11	103,246	96,284	96,284	96,284	
0120	Public Affairs	11	1,146,239	1,239,236	1,237,573	1,237,573	
0130	Personnel	13	3,198,685	3,491,109	3,485,507	3,485,507	
0160	Management Assessment	14	496,619	507,103	508,655	508,655	
0170	Legal	15	1,015,626	1,068,257	1,056,045	1,056,045	1,867,584
0190	Secretary, DOT	16	1,624,783	1,831,156	1,836,035	1,836,035	
0210	Financial Management	17	8,891,564	9,599,376	9,575,281	9,575,281	
0220	Information Services	18	48,655,280	32,609,251	32,608,241	32,608,241	
0240	General Services	20	16,221,778	16,747,505	16,544,446	16,544,446	
0250	Internal Audit	22	541,370	663,575	662,453	662,453	
0290	Departmentwide Costs	23	2,576,831	2,391,953	2,391,953	2,391,953	
Total			84,472,021	70,244,805	70,002,473	70,002,473	1,867,584
Railroad Program:							
0640	Rail Division	82	494,839	563,086	562,074	562,074	8,575,000
Public Transit Program:							
0610	Bicycle Program	86	312,014	306,156	306,712	306,712	
0630	Public Transit	87	302,792	447,051	446,301	446,301	33,124,828
			614,806	753,207	753,013	753,013	33,124,828
Aviation Program:							
0350	Aeronautics	90	2,130,360	2,193,969	2,192,203	2,192,203	27,728,062
Ferry Program:							
0660	Ferry Division	93	1,190,224	1,186,629	1,186,457	1,186,457	19,747,132
Total for Transportation Administration			88,902,250	74,941,696	74,696,220	74,696,220	

Handout #4

Summary of Budget Requests: Reserves and Transfers

<u>Fund Code</u>	<u>Description</u>	<u>Page #</u>	<u>1999-00 Actual</u>	<u>2000-01 Authorized</u>	<u>2001-02 Recommended</u>	<u>2002-03 Recommended</u>
Transfers:						
Statutory Appropriation to General Fund						
9600	HTF to General Fund	112	170,000,000	170,000,000	170,000,000	170,000,000
9600	HTF to General Fund (Expansion)	160	-	-	30,000,000	30,000,000
Subtotal	HTF to General Fund		170,000,000	170,000,000	200,000,000	200,000,000
Inspection Fee Group (statutory allocation):						
6210	Department of Agriculture	114	3,355,000	3,527,794	3,697,157	3,615,136
6220	LUST	114	5,207,336	5,783,681	6,044,318	6,566,339
6230	Department of Revenue	115	3,716,152	4,038,525	4,038,525	4,038,525
Subtotal	1/4 Cent Inspect. Fee		12,278,488	13,350,000	13,780,000	14,220,000
Support for Agencies Outside DOT(appropriated support):						
6250	Chem Test/DENR	116	437,235	437,623	437,623	437,623
6270	Highway Patrol	116	124,795,294	128,350,871	133,687,067	135,875,855
6310	Driver Education	117	25,833,833	28,206,166	31,185,783	31,185,783
6320	Sales Tax to Gen. Fnd.	117	13,600,000	13,800,000	14,560,000	15,360,000
6330	Global Transpark (HF)	118	1,100,512	1,164,517	1,211,098	1,259,542
Subtotal	Other Agencies		165,766,874	171,959,177	181,081,571	184,118,803
Total Transfers						
			348,045,362	355,309,177	394,861,571	398,338,803
General Fund Pass Through:						
6360	Global Transpark (GF)	118	8,825,000	3,842,717	5,503,426	2,236,443
6360	Global Transpark (GF) (Expansion)		-	-	(1,660,709)	-
Subtotal	Global Transpark (GF)		8,825,000	3,842,717	3,842,717	2,236,443
Highway Fund Reserves:						
6370	Highway Trust Fund	119	-	-	38,000,000	38,000,000
6370	Highway Trust Fund (Expansion)	156	-	-	(38,000,000)	(38,000,000)
6610	Retirement Rate Reduction (Expansion)	155	-	-	(9,155,000)	(9,155,000)
6801	Legislative Sal. Increase/Expansion	119	-	5,124,741	-	-
6801	Legislative Sal. Increase(Expansion)	155	-	-	8,600,000	8,600,000
6802	Salary Adjustment Fund	120	-	60,201	400,000	400,000
6803	DMV Pay Equity	120	-	254,277	-	-
6813	DMV-Vehicle Seizure	121	-	85	-	-
6814	Wastewater Mgt.	121	-	500,000	500,000	500,000
6821	Minority Contractor Dev.	122	-	150,000	150,000	150,000
6822	Fire Protection Grant	122	140,300	150,000	150,000	150,000
6827	State Health Plan		-	1,704,056	-	-
6827	State Health Plan (Expansion)	155	-	-	7,000,000	9,000,000
Total Highway Fund Reserves			140,300	7,943,360	7,645,000	9,645,000

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation
Name of Committee

May 1, 2001
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kelly Wilder	DOT / IT
David Alford	DOT / IT
E. D. Walker	DOT / IT
Frank Winn	DOT / IT
Patrick Kam	DOT / IT
Maggie P. Thomas	DOT / IT
Dan Jerman	DOT / IT
Mark Davenport III	DOT / IT
DOUG HAYNES	DOT / IT
Steven Hulsey	DOT - IT
RICHARD CHRISAWN	DOT -- OFFICE of CIVIL RIGHTS & BUSINESS DEV.

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

May 1, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Sharon Matthews	DOT/DMV
Meruida Benton	DOT Fiscal
Cameron Lee	DOT General Services
Mike Alford	OSBPM
Wayne Stallinga	NCDAJ
Glen Hodge	NCDAJ
Chris Barber	CAPII
VL McBrite	NCDAJ
David Herlong	OSBPM
Mickey Mause	Dinseyworld
Jim Ritchey	TTH

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

May 1, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Beau Mills	NC Metropolitan Coalition
Ruth Sappire	NC DOT
Wendy Benson	Capitol Group
Delano Rackland	NC DOT
Giles Perry	NCGA Staff
Bill Wilson	NCATL
CATERINA GONZALEZ	North Carolina State University
Leon Kilbrin	Moore + Van Allen

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

May 1, 2001
8:30 am
Room 1228/1327LB

AGENDA

Chairs

Representative Jim Crawford
Representative Nelson Cole
Senator Wib Gulley

Wayne Stallings, Chief Fiscal Officer, DOT

- Transportation Operations

Bill Stout, Governor's Highway Safety Program

- Budget Presentation

Representative of Public Transportation Association

- Rural Transportation

Pat Simmons, Rail Division, DOT

- Western North Carolina Rail Program

MINUTES
JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
MAY 2, 2001

The Joint Appropriations Subcommittee on Transportation met on Wednesday, May 2, 2001, in Room 1228/1327 of the Legislative Building at 8:30 a.m. The following members were present: Presiding Chairman Jim Crawford, Representatives Bowie, Coates, Cole, Gulley, McAllister, and Saunders. Five Senate members were present. Staff to the committee, Evan Rodewald and Bob Weiss attended. Representative Crawford introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Transportation Operations

Chairman Crawford introduced Wayne Stallings, Chief Fiscal Officer, DOT (handout), to explain the continuation budget for Transportation operations, administrative budgets and related field costs. The items were taken from the budget document and do not include any expansion items. He explained the four programs—Planning and Environmental, Highway Administration, Highway Construction, and Highway Maintenance and “Local” Construction—amount requested, and source of funds (Highway Fund and Trust Fund), etc.

Governor’s Highway Safety Program Budget

Chairman Crawford introduced Bill Stout, Deputy Director, Governor’s Highway Safety Program (2 handouts) to present their budget. The mission of the agency is to plan and execute a comprehensive highway safety program. They receive and distribute federal highway safety funds to other state and local agencies. Funding sources are National Highway Traffic Safety Administration, Federal Highway Administration, and state funds. State funding is about \$352 thousand annually. Of the federal funds received, a minimum of 40% must be distributed to the local level. Mr. Stout discussed the kinds of safety programs funded, application process, and dollars expended as listed on the handout.

Public Transportation Association – Rural Transportation

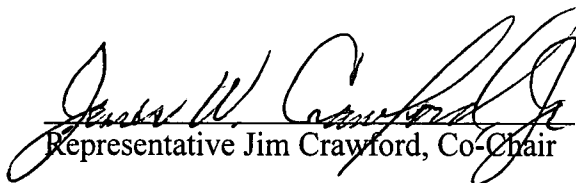
Chairman Crawford introduced Gwen Hinson, President of the NC Public Transportation Association, who read a prepared statement (handout). The mission of the association is to advocate and educate for public transportation issues at all levels. The association recommended that the state establish a Public Transportation Trust Fund utilizing \$150 million existing funds within DOT. The fund would be used to maintain and expand existing public transit operations, provide for routine capital needs and start providing the necessary matching funds to support regional new start project in the state’s metropolitan areas.


Western North Carolina Rail Program

Chairman Crawford introduced Pat Simmons, DOT Rail Division (handouts) to respond to questions from his previous presentation on train station improvements. The handout provides data on reasons for improvements, sources of funds, and expenditures from 1994 to 2001. The second handout provides a budget summary on the Western North Carolina rail. The Western delegation in 1994 requested DOT to do a feasibility study on a possible Western North Carolina service. The Transit 2001 Commission recommended extending service. In 1998 the General Assembly provided funding but held it in reserve. In 1999, the General Assembly asked DOT to prepare and update to the feasibility study, and DOT reported on March 1, 2001. He described the state funds available, funds required, and a proposed expansion budget. Page 2 shows proposed capital budget through FY 05 and Page 3 shows Enhancement Funds that may be used for historic stations.

Senator Gulley questioned making track and station improvements without an agreement with Norfolk-Southern for track access. Durwood Laughinghouse with Norfolk-Southern said the company is in the process of accessing needed improvements and cited problems along the line. There was considerable discussion on projected passenger numbers.

The meeting adjourned at 9:50 a.m.


Representative Jim Crawford, Co-Chair


Linda Winstead, Committee Assistant

Summary of Transportation Operations, Administrative Budgets and Related Field Costs

Administrative Budget Units					Field Costs in 1999-00 (Amounts Charged to Projects and Work Orders)							
Fund Code	Description	Budget	Page #	Source	% of Cost	Total	Labor	DOT Force Account	Other	Total	Out Sourced	Right of Way
1040	Planning and Environmental Program Development	3,146,058	29	TF (1)	18%	14,397,257	6,211,626		3,266,667	9,478,293	4,918,964	
Highway Administration												
1020	Highway Administrator	936,985	31	HF	NA							
1030	Chief Eng. Operations	785,456	32	HF	NA							
1060	Secondary Roads	192,634	33	HF	NA							
1080	Pre Construction	387,867	33	HF	NA							
2260	Safety and Loss Cntl.	1,506,616	35	HF	NA							
2360	Computer Systems	455,562	36	TF	NA							
2420	Engineer Trainees	2,326,676	37	HF	NA							
Total		6,591,796			NA							
Highway Construction (TIP)												
2210	Highway Design	5,339,713	43	TF	5%	96,439,421	42,693,785	1,847,381	20,894,526	65,425,692	31,013,729	
2240	Construction	2,411,532	44	TF	0%	963,763,333	58,281,965	6,448,444	22,443,952	87,174,361	876,588,972	
2330	Right of Way	3,439,292	46	TF	1%	243,521,526	12,763,171		4,091,722	16,854,893	6,674,465	219,992,168
2380	Plan & Environ.	646,703	47	TF	2%	32,732,615	6,385,222		895,303	7,280,525	10,574,585	14,877,505
Total		11,837,240			1%	1,336,456,895	120,124,143	8,295,825	48,315,503	176,735,471	924,851,751	234,869,673
Highway Maintenance and "Local" Construction												
2010	Division One	1,335,442	57	HF	3%	40,074,578	13,179,617	5,596,727	7,830,806	26,607,150	13,467,428	
2020	Division Two	1,369,238	58	HF	4%	30,965,065	13,037,071	6,051,928	6,476,910	25,565,909	5,399,156	
2030	Division Three	1,455,013	59	HF	4%	33,666,262	11,786,700	5,277,198	7,878,873	24,942,771	8,723,491	
2040	Division Four	1,594,050	60	HF	4%	36,847,443	12,247,673	4,631,441	8,674,232	25,553,346	11,294,097	
2050	Division Five	1,507,330	61	HF	3%	45,717,719	15,034,372	7,907,080	13,043,642	35,985,094	9,732,625	
2060	Division Six	1,379,410	63	HF	4%	32,718,823	11,974,904	5,162,698	6,951,910	24,089,512	8,629,311	
2070	Division Seven	1,568,543	64	HF	4%	35,830,101	12,292,134	6,841,919	9,510,918	28,644,971	7,185,130	
2080	Division Eight	1,433,380	65	HF	4%	36,899,646	13,169,578	6,770,069	8,238,468	28,178,115	8,721,531	
2090	Division Nine	1,283,542	67	HF	3%	35,673,845	11,652,613	5,677,445	9,595,627	26,925,685	8,748,160	
2100	Division Ten	1,605,841	68	HF	4%	34,770,991	12,561,935	6,504,761	8,265,220	27,331,916	7,439,075	
2110	Division Eleven	1,431,661	69	HF	2%	59,303,681	16,602,653	7,362,325	17,500,811	41,465,789	17,837,892	
2120	Division Twelve	1,396,008	71	HF	3%	41,390,038	12,889,527	6,746,699	9,548,770	29,184,996	12,145,042	
2130	Division Thirteen	1,321,468	72	HF	3%	48,897,998	14,532,178	7,257,015	13,995,260	35,784,453	13,113,545	
2140	Division Fourteen	1,444,382	73	HF	3%	48,157,882	16,670,671	8,329,684	13,450,736	38,451,891	9,706,791	
2230	Central Maintenance	5,451,050	74	HF	28%	13,917,304	7,010,919	461,631	3,340,272	10,812,822	3,104,482	
2320	Traffic Engineering	3,045,015	76	TF	13%	21,314,409	8,657,338		3,384,598	12,041,936	9,272,473	
Total		28,641,373			5%	596,085,785	203,299,883	90,578,620	147,687,053	441,565,556	154,520,229	
Grand Total		50,216,467			3%	1,946,939,937	329,635,652	98,874,445	199,269,223	627,779,320	1,084,290,944	234,869,673

(1) TF=Highway Trust Fund, HF=Highway Fund

**Governor's Highway Safety Program
FY 2001 Funding**

Section 402	\$ 3,689,802
Section 410	942,314
Section 163	4,296,840
Section 157	2,606,560
Section 411	191,450
Section 2003(b)	190,256
Section 157(I)	1,500,000
Total	\$13,417,222

**GHSP Funding to State Agencies
(in thousands)**

Department of Insurance	\$ 813.0
Department of Transportation	2,020.9
Division of Motor Vehicles	1,071.6
Department of Health & Human Services	
Forensic Tests for Alcohol Branch	674.5
State Highway Patrol	1,271.8
UNC Highway Safety Research Center	1,079.8
Institute for Transportation Research & Education	99.2
Alcohol Law Enforcement	355.1
Administrative Office of the Courts	99.8
Conference of District Attorneys	106.6
State Bureau of Investigation	120.0
Office of Emergency Medical Services	534.0
NC Justice Academy	42.5
UNC-Chapel Hill Campus Police	104.2
NC Motorcycle Safety Education Program	144.7
Total	\$8,537.7

The Governor's Highway Safety Program – FY 2001 Activities

Project	Federal Share (in thousands)	State/Local Share (in thousands)
GHSP Administration:		
Planning and Administration	352.0	352.0
P&A Section 163	50.0	0.0
GHSP Data Enhancement	35.0	0.0
Safe Communities:		
Technology Exchange	25.0	0.0
GHSP/External Affairs	384.9	0.0
Union County Regional Medical Center	82.9	33.5
Wake County Medical Center	109.9	116.4
Carolinas Medical Center	176.6	88.6
UNC Health Care	157.5	4.9
Safe Communities Mini-grants	50.0	0.0
Lenoir Memorial Hospital	39.3	21.8
Alcohol Involvement:		
GHSP Public Information and Education	318.5	0.0
HSRC Quick Response	64.7	0.0
Technology Exchange	25.0	0.0
DPI Seizure Video	21.0	0.0
DHHS Chemical Analyst	56.5	0.0
HSRC Alcohol Compendium	60.0	0.0
HSRC BAC Reporting Analysis	50.2	0.0
ALE Mobile Data Terminals	97.6	0.0
Judicial/Prosecutor/Law Enforcement Training	106.6	0.0
GHSP PBT	100.0	0.0
DHHS FTA BAT Mobile Support	119.0	0.0
MADD Public Information & Education	479.1	10.0
ALE Sales to Intoxicated Persons (SIPS)	257.5	0.0
SBI Alcohol Analysis Lab	120.0	0.0
DWI Task Force Director	31.5	0.0
Local DWI Enforcement Equipment	330.0	0.0
SADD Conference	25.0	0.0
AOC Court View	99.8	0.0
DHHS BAT Mobile Expansion	499.0	0.0
SFST Community Colleges	10.0	0.0

The Governor's Highway Safety Program – Continued

Project	Federal Share (in thousands)	State/Local Share (in thousands)
Police Traffic Services:		
North Carolina Justice Academy Training	42.5	0.0
Gaston	26.9	10.8
Fayetteville	27.6	24.9
Hertford	7.7	6.8
Brunswick County	22.6	22.0
Atlantic Beach	91.0	86.0
Knightdale	6.6	6.1
Fair Bluff	2.0	2.0
Nash County	31.5	31.5
Graham County	34.2	34.2
Albemarle	5.5	15.1
Carolina Beach	5.0	5.0
Scotland Neck	5.4	2.9
Bolton	22.9	9.8
Nashville	2.9	2.9
Harnett County	49.9	15.9
Northwest	29.0	11.3
Leland	53.5	19.5
Rocky Mount	17.2	15.2
Halifax County	173.8	96.6
Burgaw	12.3	12.3
Kinston	88.4	57.0
Mt. Olive	30.5	29.5
Belmont	50.0	16.7
Stanly County	167.2	37.0
Lincolnton	17.5	17.5
King	72.0	12.0
Huntersville	115.2	49.9
Lenoir	32.7	10.9
Tri-County (Henderson, Transylvania, and Polk)	87.0	85.5
Wilmington	30.9	29.1
Robeson County	95.2	39.9
Morehead City	35.7	10.6

Police Traffic Services – cont'd:

Ashe County	12.9	0.0
Monroe	51.8	15.3
UNC-CH	104.2	8.5
Mount Airy	63.3	21.0
Spencer	61.9	20.6
Kenansville	6.0	2.0
Six County WNC (Burke, Catawba, Davis, Iredell, McDowell, and Rowan)	605.1	103.2
Lake Lure	63.9	21.2
Bethel	37.4	12.5
High Point	5.0	1.7
Granite Quarry	25.5	7.5
Guilford County	23.0	11.5
Bladenboro	32.7	10.9
Emerald Isle	21.7	6.6
Wendell	69.8	10.1
Parkton	6.1	1.9
Bailey	22.0	7.0
Kure Beach	67.5	10.3
Norlina	14.1	4.5
Clayton	203.1	18.0
New Hanover County	50.3	15.4
Raleigh	29.2	29.2
Havelock	33.0	11.0
Johnston County	32.4	10.5
Fuquay-Varina	38.5	12.8
North Topsail Beach	27.9	12.5
LaGrange	56.8	8.5
Washington County	37.7	8.6
Lenior County	28.1	9.4
Maxton	14.3	4.7
Princeville	58.7	10.3
Wilson County	53.5	39.4
SHP Robots	32.9	32.6
SHP Aggressive Dr	85.8	187.7
Newland	16.0	4.0
Oak Island	24.1	8.1

Police Traffic Services – cont'd:

Thomasville	47.9	16.0
Shalotte	36.4	11.1
Forsyth County	52.8	158.5
Union County	135.6	56.6
Clinton	149.7	37.8
Middlesex	33.2	10.7
Old Fort	66.9	11.1
Cornelius	63.9	21.3
NC Law Enforcement Summit	40.0	0.0
GHSP Targeted Enforcement Incentive	2,000.0	0.0
Technology Exchange	25.0	0.0
PT Support Equipment	2,987.7	0.0
Charlotte-Mecklenburg	224.1	96.0
Mars Hill	55.8	9.9
Trent Woods	37.7	12.0
Statesville	10.0	0.0
Morrisville	18.0	67.7
Kings Mountain	73.4	24.4
Locust	19.7	6.6
Keanansville	6.0	2.0

The Governor's Highway Safety Program – Continued

Project	Federal Share (in thousands)	State/Local Share (in thousands)
Pedestrian/Bicycle Safety:		
NC Department of Transportation Bike Safety	182.6	0.0
HSRC Pedestrian/Bicycle PI&E	50.1	0.0
DOI Bicycle Helmets	50.0	0.0
Occupant Protection:		
GHSP Public Information and Education	250.0	0.0
Department of Insurance (DOI) Injury Prev for Highway Safety	294.0	297.0
DOI Child Safety Seats	250.0	0.0
DOI Child Safety Seat Clinic Trailers	219.0	0.0
Technology Exchange	25.0	0.0
East Carolina Injury Prevention Program	86.5	2.5
HSRC Observational Survey Support	60.3	0.0
HSRC Hispanic Traffic Safety	83.2	0.0
AAA Carolinas – Network of Employers for Traffic Safety (NETS)	106.3	5.0
HSRC Booster Seat Survey	78.8	0.0
GHSP Child Passenger Safety Conference	100.0	0.0
GHSP "Click It or Ticket" Paid Media	300.0	0.0
Western North Carolina SAFE KIDS	62.2	0.0
Roadside Safety:		
NC Department of Transportation Workshops	25.0	0.0
GHSP Highway Safety Exposition	250.0	10.0
Technology Exchange	25.0	0.0
NCDOT SMARTlink	56.0	0.0
NCDOT Work Zone Safety	250.0	0.0
NCDOT Set-Aside (Section 163) – Spot Safety	859.4	0.0
NCDOT Set-Aside (Section 157) – Spot Safety	647.9	0.0

The Governor's Highway Safety Program – Continued

Project	Federal Share (in thousands)	State/Local Share (in thousands)
Rail/Highway Crossing:		
Operation Lifesaver	79.0	0.0
Research:		
HSRC Farm Vehicle Study	43.9	0.0
HSRC Rural Speed Survey	106.0	0.0
HSRC Cell Phone Usage Study	88.1	0.0
ITRE Road Rage	44.2	14.5
Motorcycle Safety:		
NC Motorcycle Safety Education Program (NCMSEP) Expansion	57.0	53.3
NCMSEP Law Enforcement Motor Cop Training	87.7	0.0
Traffic Records:		
CARE Interpreter	52.5	0.0
SHP e-Citations	375.0	0.0
DMV Crash Reporting	493.1	0.0
Commercial Motor Vehicles:		
HSRC Truck Crash Study	79.0	0.0
Youth Traffic Safety:		
Governor's Council on Young Adult Drivers	50.0	0.0
HSRC Middle School Pilot	72.2	0.0
HSRC GDL Assistance for Parents	90.1	0.0
HSRC GDL Evaluation	77.7	0.0
HSRC Driver Education Survey	75.5	0.0
Emergency Medical Services:		
NC OEMS Ambulance Call Report	520.0	0.0
NC OEMS Traffic Safety Education	14.0	0.0

The Governor's Highway Safety Program - Continued

Project	Federal Share (in thousands)	State/Local Share (in thousands)
School Bus Safety		
NC DMV School Bus Safety PI&E	16.0	5.0
ITRE School Transportation Group	55.0	17.8
Grand Total	\$20,813.7	\$3,099.4

GHSP Local Law Enforcement Equipment Acquisition 1999 - Present

Preliminary Breath Testing Instruments

2,000 units distributed statewide

In-Car Video Systems

1,308 systems approved statewide

Radar Units

1,498 units approved statewide

Speed Monitoring Trailers

134 units approved statewide

GHSP State Law Enforcement Agencies Equipment Acquisition 1999 – Present

DMV Enforcement

- 400 Preliminary Breath Testing Instruments
- 111 In-Car Video Systems
- 337 Radar/Speed Detection Devices
- 8 Speed Monitoring Trailers
- 100 800 MHz Radios
- 1,200 35 Disposable Cameras

SHP

- 78 In-Car Video Systems
- 225 Radar Systems (Dual Antenna)
- 100 VASCAR Speed Detection Devices
- 10 Speed Monitoring Trailers
- 9 Child Safety Seat Clinic Tents
- 4 SHP Trooper Robots
- 9 Desktop Printers (TSI Officers)
- 8 Fatal Vision Goggles
- 2 Golf Carts and Trailers
- 4 Total Station – Crash Reconstruction

AGENCY	CAM APPR	RADR APPR	TR APPR
Aberdeen	1		
Ahoskie	1		
Alexander County	1		
Albemarle Police Department		4	
Angier Police Department	2		
Apex	2		1
Appalachian State University	1		1
Aulander Police Department			
Bakersville Police Dept		1	
Banner Elk Police Dept	1		
Beaufort County Comm College			
Beech Mountain Police Dept			
Belmont Police Dept	2	2	
Beulaville Police Dept	1		
Biltmore Forest Police Dept		2	
Biscoe Police Dept		3	
Boone	2		
Brevard Police Dept	1		
Bridgeton			
Bunn Police Dept		1	
Burke County	2	2	
Burnsville Police Dept	3	3	
Caldwell County	1	2	
Candler Police Dept	1	2	
Catawba Police Dept	1		
Charlotte UNC			
Cherryville Police Dept	1	1	
Chocowinity		2	
Clayton	1	1	
Cleveland County			
Coats Police Dept			
Conover Police Dept			
Cramerton Police Dept			
Cumberland County	5	8	
CCPS-SHP			
DMV			
Eastern Carolina Health Systems			
Eden Police Dept			
Elkin Police Dept			
Elon College	1	1	
Enfield Police Dept	1	1	
Forsyth County		20	
Franklinton Police Dept		2	
Garner Police Dept			
Garysburg Police Dept	1		
Gastonia		15	
Gibson Police Dept		1	
Graham Police Dept		2	
Greene County			

AGENCY	CAM APPR	RADR APPR	TR APPR
Greensboro Police Dept			
Greenville Police Dept			
Guilford County	5	10	
Guilford Technical		1	
Henderson County	1		
Hope Mills Police Dept	2	8	
Hudson Police Dept	2	2	
Hyde County	2	3	1
Kings Mountain			
Kingstown	1	2	
Knightdale Fire Dept			
Landis Police Dept		3	
Laurinburg	3		
NC A&T			
NC Crime Control			
Lexington		3	
Lilesville		1	
Macon County			
Maiden Police Dept		3	
Manteo		2	
Mars Hills College			
Maysville Police Dept		2	
McAdenville Police Dept			1
MitCHELL County	2		
Mocksville Police Dept	1		1
Mooresville Police Dept	3	5	
Murphy		1	
New Bern	5	5	
Newton	5	5	
Oakboro Police Dept	1	4	
Old Fort Police Dept	1		
Onslow County		2	
Pembroke		2	
Piedmont Traid		2	
Pinebluff	1		
Pinehurst Police Dept	4	1	1
Princeton Police Dept	1	1	
Randleman Police Dept		4	
Ranlo Police Dept			
Richlands Police Dept			
Richmond County	2		
Rich Square Police Dept	1		
Roanoke Rapids Police Dept	3		
Rockingham Police Dept	5	4	1
Rocky Mount			
Safe Kids			
Salisbury Police Dept			
Seaboard			

AGENCY	CAM APPR	RADR APPR	TR APPR
Stanly County	2		
Stokes County	2		
Surry County			
Swansboro Police Dept	1		
Sylva Police Dept	2		
Taylorsville			
Tyrrell County	1	1	
Valdese Police Dept	1		
Wake County Alcoholic Control	2		
Wake County	10	10	1
Warren County	3	3	1
Wayne County	2		
Waynesville Police Dept	3	3	
Whispering Pines		1	
Whiteville Police Dept		1	
Williamston Police Dept	1		
Woofin Police Dept			
Woodland Police Dept	1		
Yancey County	3	3	
Totals	118	174	9

AGENCY	CAM APPR	RADR APPR	TR APPR
Anson County	4	4	1
Apex		2	
Arlington		1	
Asheville		10	1
Aulander Police Department	2		
Ayden	4		
Badin			
Banner Elk	2	2	
Beaufort	1		
Bertie County		1	
Biscoe Police Dept	1		
Bladen County	4	1	1
Bridgeton		1	
Burke County			1
Chadbourn	2		
Charlotte UNC		4	
Coats Police Dept	4		
Cooleemee	4	4	
Currituck County	4	1	
Dare County	15	15	
Davidson		2	
Denton	1	1	
CCPS-SHP	62	125	
DMV	100		
Edenton		3	
Elizabethtown	3	2	
Elk Park		1	
Fairmont	3		
Fletcher			
Gibson	1		
Granite Falls	6		
Granville County	4	4	
Hamlet	3	1	
Harnett County	10	5	
Haywood County	2	2	
Hertford County	4		1
Hertford Police Dept			1
High Point		2	
Hillsborough			
Hoke County			1
Holly Ridge			
Hyde County	2		
Iredell County			1
Jefferson	1	1	
Kannapolis		12	
Kernersville	24	20	
Kings Mountain			1
Kitty Hawk		2	
Lake Lure		1	

Locust		2	1
Long View	2		
Louisburg		1	
Lumberton	10	3	
Mars Hill College	1	1	
Maxton	2	2	
Micro		1	
Mitchell County	3		1
Monroe	4		
Morrisville			
Murfreesboro	1		
Murphy	1		
Nags Head	5	5	
Newton			
North Hampton County	15		
North Wilkesboro	6		
Onslow County		2	1
Pembroke	2		
Pine Knoll Shores		2	
Pineville	4		
Pitt County	4	3	
Raeford	5	3	
Reidsville	4	2	1
Rhodhiss			
Salisbury	25	8	
Sanford		25	
Scotland County	6		
Seaboard	2	2	
Siler City	1		
Southern Shores			
Southport			1
Spring Lake	2	2	
Spruce Pine	2	2	
Stanly County			
Statesville	9		
Stem			
Surf City	2		
Tarboro	5		
Taylorsville		4	
Troutman		5	
Walnut Cove	2		
Warren County	8	2	
Whispering Pines	1		
Woofin Police Dept			
Yancey County	3	3	
Youngsville		2	
Totals	410	312	14
Less units funded elsewhere	198	187	
Funds Committed	891000	224400	112000
\$	1,227,400		
Total requested			

AGENCY	CAM APPR	RADR APPR	TR APPR
Andrews	1	1	
Avery County	3		
Bakersville	1		
Bald Head Island	1	1	
Beaufort	2	2	
Beaufort County Community Coll			1
Beaufort County	0	0	1
Boiling Springs	2	2	
Burke County	2	2	
Caldwell County	1	2	
Cape Carteret			1
Carthage	1		
Chapel Hill	6	4	
Cherokee County	2	2	
Clarkton		2	
Cooleemee			
Cornelius	2	2	0
Cramerton	1		1
Creedmoor	1	1	0
DOI-Stem PD?		0	
Durham County		15	0
Enfield	3		
Fletcher			
Franklin	2	2	
Gardner-Webb University	1	1	
Gastonia	10	10	0
Graham	4		
Granville County	6	6	1
Guilford Technical Comm College		1	0
Harrisburg			1
Haywood County	8	8	
Henderson County	1	1	
Hickory		1	
Huntersville		6	
Iredell County		2	
Kill Devil Hills	7	3	
Kings Mountain	3	3	
Kitty Hawk	4	1	
Law Enforcement Support Services			0
Lexington	2	5	
Lowell	2	4	
Lumberton		10	
Maiden	3		0
Marion	2		
Micro	1	1	
Mocksville	2	2	
Monroe	2		
Montreat	3	2	
Mount Gilead	2	2	

Murfreesboro	4		
Newland	2	2	
Newport		4	
Ocean Isle Beach		1	0
Old Fort	2	2	
Onslow County	5	3	
Pinetops	4	4	
Polk County			
Rhodhiss	1		
Rocky Mount		6	
Spencer	5		
Thomasville	12		
Wake County		5	
Washington County	2		
Winterville	3	3	
Wrightsville Beach		2	
Totals			
	134	140	5
Less units funded elsewhere	134	140	
Funds Committed	603000	168000	40000
\$	811,000		
Total requested			

AGENCY	CAM APPR	RADR APPR	TR APPR
Alexander County	1		
Beulaville	3	1	0
Bladenboro	3	2	
Conover	2	2	
Craven County	5	5	
Glen Alpine	1	1	
Hertford County	4		
Louisburg	4		
Madison	1	1	
Mars Hill	1	1	
Seven Devils	3	3	
Shalotte	3	3	
Sunset Beach	2	2	0
Taylorsville	3		
Topsail Beach	1	1	1
Weldon	3	3	
Wendell	1		
Whiteville	4	2	1
Wingate	4	5	
Zebulon	4	4	0

Totals	53	36	2
Less units funded elsewh	53	36	
Funds Committed	238500	43200	16000
\$ 297,700			
Total requested			

Funded w/PT-01-04-03

North Carolina Public Transportation Association remarks before the Joint
Transportation Appropriation Committee

May 2, 2001

The North Carolina Public Transportation Association is a professional organization with 240 members across North Carolina. The majority of our members are transit service providers; or as we like to say "the folks that put the rubber on the road each day, attempting to meet the needs of our citizens." The remainder of our members is comprised of suppliers and consultants to the industry, local leaders, and individuals with an interest in public transportation. Our mission is to advocate and educate for public transportation issues at all levels.

It continues to be the goal of the North Carolina Public Transportation Association to secure a sufficient and dedicated funding source for the state's public transportation systems. This goal is consistent with the findings of the Transit 2001 Commission, (released in February 1997), the Transportation Finance Committee recommendations (released January 2001), and the findings of the Transportation Sub-committee of the Smart Growth Commission (released April 2001). Our members have played an active role in each of these groups by either being appointed to the study group or providing testimony during their meetings.

It is clear that the state's overall investment in transportation is neither sufficient nor properly balanced to meet North Carolina's changing transportation needs. It is equally clear that North Carolina's investment in public transportation options has not kept pace with demand and is quickly reaching a critical situation.

Currently North Carolina invests only about \$50 million dollars a year to support public transit programs statewide. This represents only two percent of the entire transportation budget of over \$3 billion dollars a year. Based on the finding of several studies commissioned by the General Assembly, this amount needs to increase by \$100 million to begin addressing immediate needs. Established public transportation programs across the state cannot grow and provide the services being demanded by citizens without increases in state funding. Large regional "New Start" projects in the Triangle, Charlotte, and Triad areas will require significantly increased levels of state funding to match Federal and Local funds that have been secured to provide expanded transportation options for citizens in these metropolitan areas. In the short term, NCPTA feels a \$150 million public transportation program will meet these urgent needs. Whether this money comes from existing revenue sources or requires new ones; it needs to be done and it needs to be done now.

NCPTA is also in favor of more funding for roads. The Transportation Finance Committee concluded that North Carolina has over \$550 million in unmet/un-funded transportation needs; including over \$400 million of needed road/bridge maintenance. Emphasis over the last decade has been placed on "new construction" resulting in a backlog of roads and bridges that need routine repair and upkeep. NCPTA supports redirecting emphasis on the need to adequately maintain the state's existing facilities versus construction of new ones.

The need for expanded transportation funding is a reality that must be addressed. However, we recognize the current financial position the state finds itself in and concede that agreeing on new sources of revenue during this session will be difficult.

We certainly acknowledge the support the General Assembly has given public transportation in recent years but there is so much more that needs to be done. One can hardly watch the television news or read a paper where issues regarding air quality, traffic congestion, and "smart growth" are not being discussed. Just yesterday, headlines and newspaper articles across the state reported how we made the top ten nationally in air pollution with Charlotte # 8 and Raleigh Durham Chapel Hill close behind at # 11 for ozone levels. These warning signs and others, such as people comparing traffic in the Triangle to that of Atlanta, business leaders expressing concern about quality of life issues and attracting employees to the state, can no longer be ignored. Public transportation must be a major factor in the plan to address these problems. We have to do a better job balancing our investments in transportation options.

RECOMMENDATION

Since we are a Public Transportation Association our recommendation will focus on this aspect of the North Carolina's "Transportation Program." We recommend that North Carolina establish a Public Transportation Trust Fund utilizing \$150 million of existing funds within the Department of Transportation. This represents an increase of about \$100 million in the level of funding currently invested in public transportation – Statewide. We believe this could be accomplished by the Department of Transportation through effective cash management of available revenue within its \$3 billion dollar budget. The Public Transportation Trust Fund would be used to maintain and expand existing public transit operations, provide for routine capital needs and start providing the necessary matching funds to support regional new start projects in North Carolina's larger metropolitan areas.

REASONS TO SUPPORT THIS RECOMMEDATION

- Consistent with recommendations from several study commissions.
- Provides more balance to North Carolina's overall investment in transportation.
- Produces statewide impacts and benefits in rural, urban and regional systems.
- Uses existing funds – does not require new taxes, fees, or assessments
- Addresses real and critical needs.

3000

NC PUBLIC TRANSPORTATION ASSOCIATION

Examples of how Public Transit is working in North Carolina:

- Wake County removes 9000 vehicles from roads with the use of 600 carpool vans. The vans are operationally self-supporting after the initial capital expenditure of purchasing the vans.
- In Polk County a single mom with 4 children, two in school and two in day care is employed through Work First. She is a good worker and wants to keep her job at Burger King. She lives on the fixed route so she can ride with the kids to work and to day care, which costs \$6.00 per day (about an hour's wages). However, if day care calls and the kids were sick, she would have to quit her job. That is excepting that Polk County has developed a flexible transit system to complement the fixed route. Unfortunately, the funds are available to stretch to serve everyone.
- High Point Transit operates a fixed route as well as an ADA paratransit system. The system operates 12 peak vehicles Monday - Friday and 4 vehicles on Saturday on a fixed route. Unfortunately, as the City of High Point has expanded geographically, the transit service area has not had the funds to expand. Currently, new employment opportunities surface in the northern part of the city. The transit system has not been able to transport individuals who live in the core of the city to these new locations. The City is concerned that stable funding to assure that when it expands services to meet the needs of the growing area, that state and federal funds will continue so the services are reliable.
- Guilford County Transportation began service in July 1998. Service is provided to five core groups- Medicaid, elderly, disabled, rural general public, and Work First. In addition, the department provides reservations, scheduling, and call taking for the City of Greensboro disabled transportation service. During Fiscal Year 1999-2000, 195,693 passenger trips were provided.
- WATAUGA has a paraplegic young man that is attending the local community college. He has an electric wheelchair that he controls with his breath. AppalCART is able to take him to day and night classes at the community college because Watauga funded a fixed route that goes right through the parking lot of the community college, using new start money provided by the Public Transportation Division. He uses paratransit service, which is the door-to-door lift equipped van service that allows him to go from home to the college. The fixed route is necessary to support the paratransit service. The fixed route is now generating as many as 8,000 passenger trips a month between a major apartment complex, downtown Boone, the community college and Appalachian State University. AppalCART operates seven days a week through the winter. The ridership for January was 78,263 passenger trips.

These are just a few examples of how public transit affects the lives of North Carolina citizens.

WESTERN NORTH CAROLINA PASSENGER RAIL STATE FUNDS SUMMARY¹

I. State Funds Available

Reserve for WNC Infrastructure	\$ 1,200,000
Balance from feasibility study	\$ 3,035,850
FY 2001/02 Budget Request	\$ 3,525,000
FY 2002/03 Budget Request	\$ 3,525,000
Total	\$ 11,285,850

II. State Funds Required²

Amtrak Thruway Bus Service	\$ 992,125
Track Capacity Study	\$ 97,590
ROW for Valdese & Asheville	\$ 320,000
A/E for 2 New Stations & 1 Remodeling	\$ 465,520
Track Improvements <i>NS</i>	\$ 22,443,000
Station Construction—Asheville, Valdese and Salisbury	\$ 4,432,250
Rail Passenger Equipment	\$ 5,175,000
Maintenance Facility in Spencer	\$ 425,000
Service Facility in Asheville	\$ 375,000
Qualify Train Crews	<u>\$ 267,000</u>
Total	\$ 34,992,485

III. Expansion Budget Request over FY 03/04-04/05 biennium, primarily for track improvements	\$ 23,706,635
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¹ Project also may be eligible for federal funding under proposed federal tax credit bond program. Does not include \$ 5,777,000 in Transportation Enhancement Funds for stations renovations.

² Western North Carolina Passenger Rail Study. March 1, 2001

**WESTERN NORTH CAROLINA PASSENGER RAIL
PROPOSED CAPITAL BUDGET
STATE FUNDS**

LINE ITEM	FY 02	FY 03	FY 04	FY 05	Total
STATIONS					
Salisbury	\$1,782,716				\$1,782,716
Valdese	\$697,247				\$697,247
Asheville	\$2,737,807				\$2,737,807
EQUIPMENT					
Rolling Stock ¹	\$2,200,000	\$2,975,000			\$5,175,000
STUDIES					
Track Capacity Study	\$97,590				\$97,590
MAINTENANCE FACILITIES					
Spencer			\$425,000		\$425,000
Asheville			\$375,000		\$375,000
TRACK IMPROVEMENTS					
Track Improvements – Expansion Request			\$11,221,500	\$11,221,500	\$22,443,000
OTHER COSTS					
Amtrak Thruway Bus Service	\$198,250	\$264,625	\$264,625	\$264,625	\$992,125
Qualify Train Crews			\$267,000		\$267,000
TOTAL COST	\$7,713,610	\$3,239,625	\$12,553,125	\$11,486,125	\$34,992,485

¹ Equipment: renovate 2 coaches, 1 combination coach/baggage car, 1 food service/lounge car, purchase 1 new locomotive.

**WESTERN NORTH CAROLINA PASSENGER RAIL
FEDERAL TRANSPORTATION ENHANCEMENT FUNDS¹**

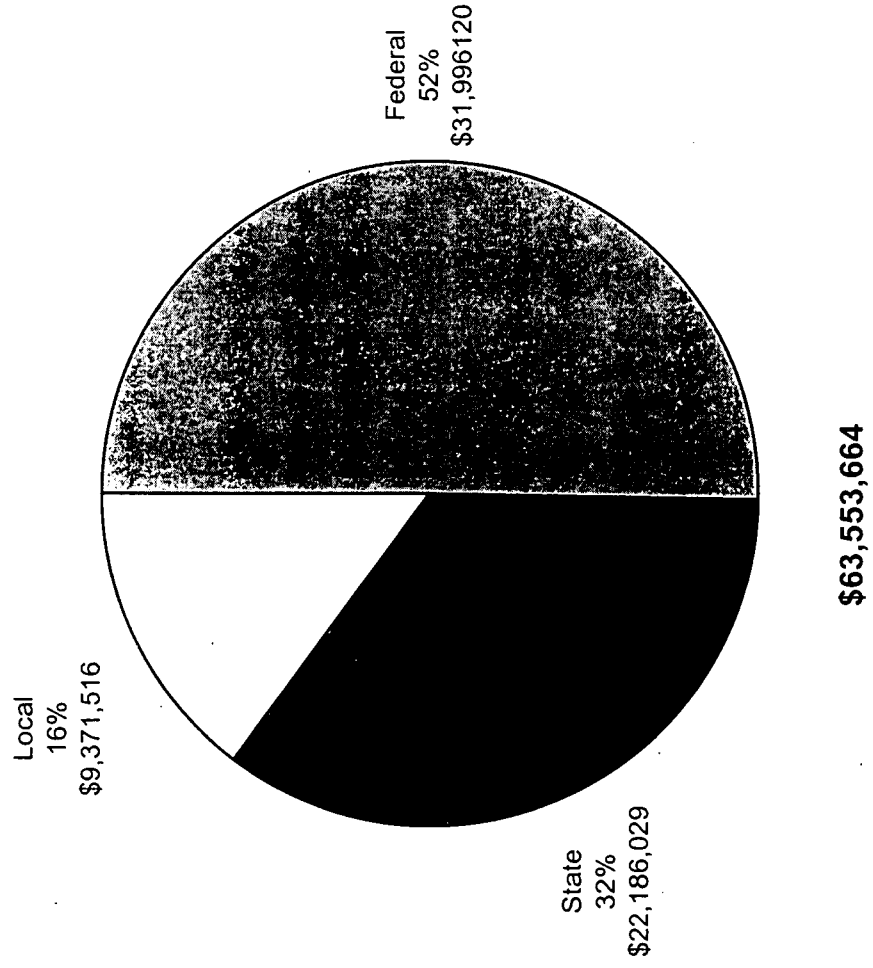
Station	FY 02	FY 03
P-3823 Statesville	\$ 287,000	\$ 396,000
P-3822 Hickory	\$ 177,000	\$ 243,000
P-3821 Morganton	\$ 198,000	\$ 273,000
P-4012 Marion	\$ 751,000	\$ 1,032,000
P-3808 Old Fort	\$ 577,000	\$ 793,000
P-4011 Black Mountain	\$ 442,000	\$ 608,000
Total	\$5,777,000	\$ 3,345,000

¹ Federal Transportation Enhancement Funds: 80% federal, 10% state and 10% local

North Carolina Passenger Train Station Improvement Program

- The primary purpose of the Station Improvement Program is to provide safe, clean, and functional passenger stations in cities that are served by Amtrak service. The rail travel experience begins at the station.
- The program includes both restoration of historic stations and construction of new stations. We also make use of temporary modular stations that remain in place until a permanent structure is completed.
- The NCDOT works with the localities to facilitate ownership transfer of the station properties from the railroads to the municipality. The localities make a long-term commitment to manage and maintain their facility.
- We work with the localities to develop partnerships with chambers of commerce, the development community, transit and intercity bus interests, historic preservation groups, and travel and tourism destinations.
- All historic stations are restored in accordance with the US Secretary of the Interior's Standards and Guidelines and make use of federal Transportation Enhancement Program funding, as well as other public/private restoration grants.
- We work with the localities to develop existing resources into a center of activity to serve the rail passenger market and other mixed uses.
- All passenger facility improvements comply with the Americans with Disabilities Act.
- The Station Improvement Program also serves as a catalyst for downtown re-development, often incorporating multiple uses into the facility proper, but also attracting significant additional development to adjacent areas.
- The Great American Station Foundation calculates of \$3.00 of return for every \$1.00 invested in station renovations.
- More information about the program and individual station projects can be found at www.bytrain.org.

North Carolina Station Improvement Program
FY94-FY01



North Carolina Station Improvement Program

Station	FY94				FY95			
	Total	Federal	State	Local	Total	Federal	State	Local
Rocky Mount	860,000			860,000	73,575	58,860	7,358	7,358
Wilson								
Selma	18,603	14,883	1,860	1,860	85,052	68,042	8,505	8,505
Durham								
Greensboro								
High Point	27,611	22,088	2,761	2,761				
Kannapolis								
Hamlet								
Charlotte								
Raleigh								
Cary					78,715		78,715	
Southern Pines								
Burlington								
Salisbury	14,987	11,990	1,499	1,499	62,767	50,214	6,277	6,277
Total	921,201	48,961	6,120	866,120	300,109	177,115	100,854	22,139

North Carolina Station Improvement Program

Station	FY96			FY97				
	Total	Federal	State	Local	Total	Federal	State	Local
Rocky Mount	395,768	316,615	39,577	39,577	1,052,130	-	105,213	105,213
Wilson	263,249	210,599	26,325	26,325	320,428	841,704	32,043	32,043
Selma	52,794	42,235	5,279	5,279		256,342		
Durham								
Greensboro								
High Point					78,499	62,799	7,850	7,850
Kannapolis								
Hamlet					19,866	15,893	1,987	1,987
Charlotte								
Raleigh								
Cary	750,000			750,000				
Southern Pines								
Burlington								
Salisbury					3,894,334	715,467	89,433	3,089,434
Total	1,461,811	569,449	71,181	821,181	5,365,257	1,892,205	236,525	3,236,526

North Carolina Station Improvement Program

Station	FY98			FY99				
	Total	Federal	State	Local	Total	Federal	State	Local
Rocky Mount	315,488	252,390	31,549	31,549	2,913,973	2,331,178	291,397	291,397
Wilson	154,625	123,700	15,462	15,462	6,745	5,396	675	675
Selma	35,152	28,121	3,515	3,515	125,879	100,703	12,588	12,588
Durham					164,050		164,050	
Greensboro								
High Point					284,429	227,544	28,443	28,443
Kannapolis								
Hamlet	25,458	20,366	2,546	2,546	3,334	2,667	333	333
Charlotte								
Raleigh								
Cary								
Southern Pines						800,000		
Burlington					241,250		241,250	
Salisbury	61,565	49,252	6,157	6,157				
Total	592,287	473,830	59,229	59,229	4,539,660	3,467,488	738,736	333,436

North Carolina Station Improvement Program

Station	FY00			FY01			Grand Total		
	Total	Federal	State	Local	Total	Federal		State	Local
Rocky Mount	2,152,341	1,721,873	215,234	215,234	1,203,855	963,084	120,386	695,386	8,490,000
Wilson									1,476,749
Selma	22,691	18,153	2,269	2,269	2,057,402	1,645,921	205,740	205,740	2,718,000
Durham					1,175,000		1,175,000		1,339,050
Greensboro					19,186,247	15,348,998	1,918,624	1,918,625	19,186,247
High Point					2,277,461	1,821,969	227,746	227,746	2,668,000
Kannapolis							50,000		50,000
Hamlet	26,716	21,372	2,672	2,672	4,057,126	3,245,701	505,713	665,213	4,492,000
Charlotte					13,500,000		13,500,000		13,500,000
Raleigh					730,000	580,000	50,000	100,000	730,000
Cary									828,715
Southern Pines									800,000
Burlington	3,000,000		3,000,000						3,241,250
Salisbury									4,033,653
Total	5,201,748	1,761,398	3,220,175	220,175	45,171,591	23,605,673	17,753,208	3,812,709	63,553,664

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

5/2/01

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Matt Beeson	Capital Group
Shaun Matthews	DOT/DMV
J. King	NC DOT
Kan. McLean	Allen Associates
Patrick Simmons	NC DOT
Samuel Crow	NC DOT
Ruth Sappie	NC DOT
David Herby	DSBPM
Jim [unclear]	City of Greensboro
Elizabeth James	City of Greensboro
Jane Walker-Payne	City of Greensboro
Pat Mitchell	City of Greensboro
Sherria Allen	City of Greensboro
Bruce Adams	City of Greensboro
Jeanne Snyder	City of Greensboro
Ed McAllen	NCPTA
Maver Hines	NCPTA
Paul Antona	Guilford County
LARRY VANOVER	Amtrak
LYMAN COOPER	CSX
JEFF MANN	Amtrak
T. FORTUNE	Amtrak
Tommy Harsell	Lobbyist
Beau Mill	NC Metro Coalition

Senate Appropriations Subcommittee on Transportation
Thursday, May 24, 2001
1:00 PM
Room 1228, Legislative Building

MINUTES

The Senate Appropriations Subcommittee on Transportation met at 1:00 pm on Thursday, May 24, 2001 in Room 1027 of the Legislative Building. Six Senators were presented. Senator Gulley had invited the House Committee members to attend and the following Representatives were present: Cole, Cochair, Barbee, Hiatt and McAllister.

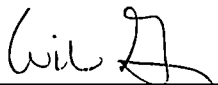
First, Senator Gulley welcomed everyone, especially the House Committee members. Then he reviewed Governor Easley's Highway Fund budget and the differences between it and the Senate proposed budget (Handout #1).

Next, Senator Gulley reviewed the Senator proposed Transportation budget (Handout #2). This handout shows Governor Easley's recommendations and Senate Committee's changes. Representative McAllister asked if the 31 positions being eliminated were actual cuts or transfers. Senator Gulley said the positions were cuts, but some were vacant.

Next, Senator Gulley reviewed the Transportation budget special provisions (Handout #3 and Handout #4). After Senator Gulley's review, **Senator Hoyle moved to adopt the Senate proposed Highway Fund budget and the Transportation general fund budget. Motion carried.**

Senator Larry Shaw asked that the aircraft be listed in the special provision on page 13 of Handout #3. Staff was directed to handle that request. **Senator Larry Shaw moved to adopt the special provisions documents. Motion carried.**

The meeting was adjourned at 1:50 PM



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

2001-2003 Budget - Highway Fund

Governor's Recommendations

Draft Subcommittee Recommendations

Senate

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>
Availability				
1 Revenue	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000
2 Surplus from Prior Year	14,860,000 NR	-	14,860,000 NR	-
3 Reversions from Previous Years			520,000 NR	
4 Funds Available	1,318,140,000	1,311,720,000	1,318,660,000	1,311,720,000
5 Recommended Continuation Budget	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525
6				
7 Net Funds Available	113,662,497	99,999,475	114,182,497	99,999,475
8				
9				
10 Budget Reductions				
11 Retirement Rate Adjustment	(9,155,000)	(9,155,000)		
12 Transfer to Highway Trust Fund	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)
13 Reduce Highway Patrol Inflationary Increases for Gasoline			(1,278,340)	(1,076,279)
14 Reduce Highway Patrol Inflationary Increases for Cars			(710,875)	(1,701,282)
15 Eliminate Highway Patrol Communications Equipment Upgrade			(875,000)	(875,000)
16 Reduce Driver Education Funding			(1,966,232)	(1,966,232)
17 Global Transpark Authority Administration			(605,549)	(640,882)
18 Eliminate DMV Commissioners Office			(1,777,828)	(2,370,437)
19 Eliminate Governor's Highway Safety Program			(357,277)	(357,277)
20				
21				
22				
23				
24 Total Adjustments and Reductions	(47,155,000)	(47,155,000)	(45,571,101)	(46,987,389)
25				
26 Total Funds Available for Expansion	160,817,497	147,154,475	159,753,598	146,986,864
27 Total Nonrecurring Funds Available	14,860,000 NR	- NR	15,380,000 NR	- NR
28 Total Recurring Funds Available	145,957,497	147,154,475	144,373,598	146,986,864

Handout # 1

2001-2003 Budget - Highway Fund

Governor's Recommendations Draft Subcommittee Recommendations

Expansion Items	2002-2003		Senate	
	2001-2002	2002-2003	2001-2002	2002-2003
1 Restore Maintenance Funds to FY 2001 Levels	31,000,000	31,000,000	31,000,000	31,000,000
2 Increase Maintenance Funding	17,640,445	17,640,445	18,515,445	18,515,445
3 Increase Maintenance Funding (NR)	7,022,971 NR	NR	7,022,971 NR	NR NR
4 Restore Contract Resurfacing Funds to FY 2001 Levels	7,000,000	7,000,000	7,000,000	7,000,000
5 Increase Contract Resurfacing Funds	10,000,000	10,000,000	17,000,000	17,000,000
6 Increase Contract Resurfacing Funds (NR)				
7 Restore Public Transportation Funds to FY 2001 Levels	15,621,993	15,621,993	15,621,993	15,621,993
8 Replace Federal Funds for Public Transportation	10,000,000	10,000,000	10,000,000	10,000,000
9 Increase Public Transportation Funding	4,000,000 NR	4,000,000 NR	12,994,189	12,994,189
10 Provide Funds for Western NC Rail Service	3,525,000 NR	3,525,000 NR	520,000 NR	
11 Restore Rail Funds to FY 2001 Levels	9,407,088 NR	9,407,088 NR	2,000,000	2,000,000
12 Restore Rail Funds to FY 2001 Levels (NR)			5,000,000 NR	
13 Acquire Right of Way for Charlotte Station	15,000,000 NR	15,000,000 NR	15,000,000 NR	
14 Repair and Renovation	10,000,000 NR		1,634,000 NR	
15 Replace General Fund Support for Airport Grants	5,000,000 NR		5,000,000 NR	
16 Commercial Vehicle Information Systems for DMV		5,773,100 NR		
17 Vehicle Registration Customer ID		480,000 NR		
18 Increase Staffing for School Bus and Traffic Safety		106,849		
19 State Health Plan	7,000,000	9,000,000		
20 2% Salary Increase for Highway Fund Employees	8,600,000	8,600,000		
21 Small Urban and Rural Highway Construction			5,000,000 NR	
22				
23 Total Expansion	160,817,497	147,154,475	153,308,598	114,131,627
24 Nonrecurring Expansion	53,955,059 NR	38,185,188 NR	39,176,971 NR	NR NR
25 Recurring Expansion	106,862,438	108,969,287	114,131,627	114,131,627
26				
27 Surplus (Deficit)	-	-	6,445,000	32,855,237
30				
31				
32 Global TransPark Airport Grants			(1,062,717)	(1,093,102)
			(5,000,000)	

2001-2003 DOT Budget - General Fund

Transportation

GENERAL FUND

	FY 2001-02		FY 2002-03
Recommended Budget	\$17,753,426		\$14,486,443
Legislative Changes			
Aeronautics and Global Transpark			
(1200) Airport Grants			
1 Reduce General Fund Support			
Reduces General Fund Airport Grant Program by \$5 million, to be offset by increase in funding from Highway Fund, as recommended by Governor.	(\$5,000,000)	NR	
Global Transpark			
2 Global Transpark Operating Reduction			
	2001-2002	2002-2003	
GTP Administration	\$424,451	\$433,651	
State Match/Runway	(\$1,116,742)	(\$1,094,350)	
Airport Operations	(\$124,795)	(\$157,987)	
Education and Training Center Operations	(\$115,247)	(\$134,807)	
Marketing	(\$54,749)	(\$56,939)	
Land Use Planning	(\$75,635)	(\$82,660)	
Total Legislative Changes	(\$1,062,717)	R	(\$1,093,102) R
	(\$5,000,000)	NR	
Total Position Changes			
Revised Budget	\$11,690,709		\$13,393,341

Transportation

HIGHWAY FUND

	FY 2001-02	FY 2002-03
Recommended Budget	\$1,204,477,503	\$1,211,720,525

Legislative Changes

Construction and Maintenance

(5180) Construction - Contingency

3 Small Urban and Rural Projects

Provides additional funding for small urban and rural highway construction. \$5,000,000 NR

(5240) Maintenance - Contract Resurfacing

4 Restore Contract Resurfacing Funds

Restores funding to FY 2001 levels. FY 2001 budget contained \$7,000,000 in nonrecurring funding. \$7,000,000 R \$7,000,000 R

5 Increase Contract Resurfacing Funds

Increases contract resurfacing funding over funding from previous years. \$17,000,000 R \$17,000,000 R

(5400) Capital Improvements

6 Repair and Renovation

Provides funds for repair and renovation of the Department's facilities. \$1,634,000 NR

(5940) Rail Program

7 Partially Restore Rail Funding

Partially restores funding to FY 2001 levels. FY 2001 budget contained \$12,932,088 in nonrecurring funding. \$2,000,000 R \$2,000,000 R
\$5,520,000 NR

	2001-2002	2002-2003
Western NC Service (NR)	\$520,000	
Raleigh-Charlotte	\$2,000,000	\$2,000,000
Raleigh-Charlotte (NR)	\$5,000,000	

8 Charlotte Station

Funds remaining land acquisition for new multi-modal station in Charlotte. \$15,000,000 NR

(5950) Airport Program

9 Airport Grants

Replaces General Fund support for airport grants with Highway Fund appropriation. \$5,000,000 NR

Senate Subcommittee on Transportation

FY 2001-02

FY 2002-03

(5970) Public Transportation Program

10 Restore Public Transportation Funding

\$15,621,993 R \$15,621,993 R

Restores funding to FY 2001 levels. FY 2001 budget contained \$15,621,993 in nonrecurring funding.

	2001-2002	2002-2003
Rural Capital	\$1,150,000	\$1,150,000
Rural Operating	\$2,650,000	\$2,650,000
Elderly & Disabled	\$900,000	\$900,000
Urban & Regional Maint.	\$1,921,993	\$1,921,993
New Starts	\$9,000,000	\$9,000,000

11 Replace Federal Funds

\$10,000,000 R \$10,000,000 R

Replaces federal funds with State Highway Fund money. \$10,000,000 of federal Congestion, Mitigation and Air Quality Funding that is being replaced will be redirected to the Transportation Improvement Program (TIP).

	2001-2002	2002-2003
Rural Operating	\$600,000	\$600,000
Human Service	\$400,000	\$400,000
New Starts	\$8,000,000	\$8,000,000
Urban & Reg. Tech.	\$1,000,000	\$1,000,000

12 Increase Public Transportation Funding

\$12,994,189 R \$12,994,189 R

Increases public transportation funding over funding from previous years.

	2001-2002	2002-2003
Rural Capital	\$1,400,000	\$1,400,000
Rural Operating	\$1,400,000	\$1,400,000
Elderly & Disabled	\$500,000	\$500,000
Urban & Regional Maint.	\$3,287,535	\$3,287,535
New Starts	\$6,406,654	\$6,406,654

Governor's Highway Safety Program

(0410) Governor's Highway Safety

13 Transfer Program

(\$357,277) R (\$357,277) R

Transfers program to DOT Secretary's Office. Eliminates 12 positions currently funded under Governor's Highway Safety Program.

-12.00 -12.00

Division of Motor Vehicles

(0510) Commissioner's Office

14 Eliminate Office and Transfer Responsibilities

(\$1,777,828) R (\$2,370,437) R

Eliminates 31 positions as a result of program consolidation within DOT.

-31.00 -31.00

Reserves**(6270) Crime Control and Public Safety****15 Adjust Equipment Budget**

	(\$875,000)	R	(\$875,000)	R
--	-------------	---	-------------	---

Eliminates funds for upgrade of communications consoles and bay station equipment. Highway Patrol would be permitted to fund this equipment from other sources.

16 Adjustment for Vehicle Inflationary Factors

	(\$710,875)	R	(\$1,701,282)	R
--	-------------	---	---------------	---

Would reduce continuation budget increases in the new vehicle line item consistent with cost increases in previous years.

17 Adjustment for Gasoline Inflationary Factors

	(\$1,278,340)	R	(\$1,076,279)	R
--	---------------	---	---------------	---

Would reduce continuation budget increases in the gasoline line item consistent with Office of State Budget and Management guidelines.

18 Transfer State Highway Patrol

	\$0	R	\$0	R
--	-----	---	-----	---

With the elimination of the Department of Crime Control and Public Safety, the Division of State Highway Patrol will be transferred to the Department of Transportation. This transfer will be complete by June 30, 2002. As the State Highway Patrol budget is already funded by the Highway Fund, no additional funding is needed to implement this transfer.

			1860.00	
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(6310) Department of Public Instruction**19 Adjustment to Driver Education**

	(\$1,966,232)	R	(\$1,966,232)	R
--	---------------	---	---------------	---

Reduces funding due to fewer projected students and underspending in previous years.

(6360) Global TransPark Authority**20 GTP Administration**

	(\$605,549)	R	(\$640,882)	R
--	-------------	---	-------------	---

Adjust budget

(6370) Transfer to Highway Trust Fund**21 Discontinue Transfer to Highway Trust Fund**

	(\$38,000,000)	R	(\$38,000,000)	R
--	----------------	---	----------------	---

Ends transfer to Highway Trust Fund of money required by statute. These funds were originally made available from the retirement of Highway Fund bonds. As these bonds were paid off, money equal to the debt service on the bonds was paid to the Highway Trust Fund.

(6828) Reserve for Maintenance**22 Restore Maintenance Expenditures**

	\$31,000,000	R	\$31,000,000	R
--	--------------	---	--------------	---

Restores funding to FY 2001 levels. FY 2001 budget contained \$31,000,000 in nonrecurring funding.

23 Increase Maintenance Expenditures

	\$18,515,445	R	\$18,515,445	R
--	--------------	---	--------------	---

Increases maintenance funding over funding from previous years.

	\$7,022,971	NR		
--	-------------	----	--	--

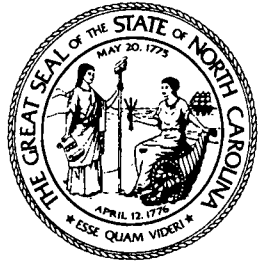
Senate Subcommittee on Transportation

FY 2001-02

FY 2002-03

Total Legislative Changes	\$68,560,526	R	\$67,144,238	R
	\$39,176,971	NR		
Total Position Changes	-43.00		1817.00	
Revised Budget	\$1,312,215,000		\$1,278,864,763	

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS
SENATE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
REPORT

MAY 24, 2001
DISTRIBUTED AT 1:00 P.M. COMMITTEE MEETING

2001-TRANS-S1.....1
 REPEAL BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO
 HIGHWAY TRUST FUND

2001-TRANS-S2.....2
 DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS
 AUTHORIZED

2001-TRANS-S3.....3
 SMALL URBAN AND CONTINGENCY FUNDS

2001-TRANS-S4.....4
 CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND
 APPROPRIATIONS.

2001-TRANS-S6.....5
 WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE
 OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION FUNDS.

2001-TRANS-S7.....6
 HIGHWAY TRUST FUND STUDY COMMITTEE.

2001-TRANS-S8.....8
 CHARLOTTE DOWNTOWN INTERMODAL STATION.

2001-TRANS-S10.....9
 DIVISION 3 HEADQUARTERS COMPLEX FUNDS.

2001-TRANS-S11.....10
 DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ACCEPT
 ELECTRONIC BIDS.

2001-TRANS-S12.....11
 DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ESTABLISH
 AN ESCORT DRIVER CERTIFICATION PROGRAM.

2001-TRANS-S17.....12
 TRANSFER RESPONSIBILITIES OF GOVERNOR'S HIGHWAY SAFETY
 PROGRAM TO THE OFFICE OF THE SECRETARY OF
 TRANSPORTATION.

2001-TRANS-S18	13
SOME STATE AIRCRAFT OPERATIONS CONSOLIDATED.	
2001-TRANS-S21	14
STATE HIGHWAY PATROL/DIVISION OF MOTOR VEHICLES ENFORCEMENT CONSOLIDATION STUDY.	
2001-TRANS-S22	15
DRIVERS LICENSE/MOTOR VEHICLE REGISTRATION SECTION CONSOLIDATION STUDY.	
2001-TRANS-S23	16
APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION TO FUND AVIATION GRANTS.	
2001-TRANS-S25	17
CHANGE STATUTORY REFERENCES TO "COMMISSIONER OF MOTOR VEHICLES."	
2001-TRANS-S28	18
ASPHALT PAVEMENT RECYCLING	
2001-TRANS-S29	19
DEPARTMENT OF TRANSPORTATION TO HIRE CONSULTANT TO FURTHER MINORITY BIDDER GOALS PROGRAM	
2001-TRANS-S30	20
AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL TRANSPARK AIRPORT.	
2001-TRANS-S32	21
STATE BOARD OF COMMUNITY COLLEGES TO STUDY TRANSFER OF GLOBAL TRANSPARK EDUCATION AND TRAINING CENTER.	

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S1

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

- 1 *REPEAL BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO*
- 2 *HIGHWAY TRUST FUND*
- 3 SECTION #. G.S. 136-176(a)(4) and G.S. 136-183 are repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S2

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS*
2 *AUTHORIZED*

3 SECTION #. (a) Chapter 136 of the General Statutes is amended by adding
4 a new section to read:

5 "§ 136-28.11. Design-build construction of transportation projects.

6 Notwithstanding any other provision of law, the Board of Transportation may
7 award up to three contracts annually for construction of transportation projects on a
8 design-build basis. These contracts may be awarded after a determination by the
9 Department of Transportation that delivery of the projects must be expedited and that it
10 is not in the public interest to comply with normal design and construction contracting
11 procedures. Prior to the award of a design-build contract, the Secretary of
12 Transportation shall report to the Joint Legislative Transportation Oversight Committee
13 and to the Joint Legislative Commission on Governmental Operations on the nature and
14 scope of the project and the reasons an award on a design-build basis will best serve the
15 public interest."

16 SECTION #. (b) The Department of Transportation shall report to the Joint
17 Legislative Transportation Oversight Committee on September 1, December 1, and
18 March 1 of each year on the status of all design-build projects.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S3

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 ***SMALL URBAN AND CONTINGENCY FUNDS***

2 SECTION #. Of the funds appropriated in this act to the Department of
3 Transportation:

4 (1) \$14,000,000 shall be allocated in each fiscal year for small urban
5 construction projects. These funds shall be allocated equally in each
6 fiscal year of the biennium among the 14 Highway Divisions for the
7 small urban construction program for small construction projects that
8 are located within the area covered by a one-mile radius of the
9 municipal corporate limits.

10 (2) \$15,000,000 in fiscal year 2001-2002 and \$10,000,000 in fiscal year
11 2002-2003 shall be used statewide for rural or small urban highway
12 improvements and related transportation enhancements to public roads
13 and public facilities, industrial access roads, and spot safety projects as
14 approved by the Secretary of Transportation.

15 None of these funds used for rural secondary road construction are subject to the
16 county allocation formulas in G.S. 136-44.5(b) and (c).

17 These funds are not subject to G.S. 136-44.7.

18 The Department of Transportation shall report to the members of the General
19 Assembly on projects funded pursuant to this section in each member's district prior to
20 the Board of Transportation's action. The Department shall make a quarterly
21 comprehensive report on the use of these funds to the Joint Legislative Transportation
22 Oversight Committee and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S4

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND*
2 *APPROPRIATIONS.*

3 SECTION #. (a) The General Assembly authorizes and certifies anticipated
4 revenues of the Highway Fund as follows:

5	FY 2003-2004	\$1,334.6 million
6	FY 2004-2005	\$1,369.8 million
7	FY 2005-2006	\$1,406.1 million
8	FY 2006-2007	\$1,445.5 million

9 The General Assembly authorizes and certifies anticipated revenues of the
10 Highway Trust Fund as follows:

11	FY 2003-2004	\$1,127.6 million
12	FY 2004-2005	\$1,176.5 million
13	FY 2005-2006	\$1,226.8 million
14	FY 2006-2007	\$1,278.4 million

15 SECTION #. (b) Section 25 of S.L. 2000-67 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S6

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE*
2 *OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION FUNDS.*

3 SECTION #. Of the funds appropriated in this act for passenger rail service
4 in Western North Carolina, the Department of Transportation may use these funds for
5 the following purposes:

6 (1) Up to two hundred thousand dollars (\$200,000) during the 2001-2002
7 fiscal year may be used to contract with Amtrak to provide thruway
8 bus service for western North Carolina. These funds may only be used
9 for operations and may not be used for the purchase of equipment or
10 for making infrastructure improvements.

11 (2) Up to three hundred twenty thousand dollars (\$320,000) during the
12 2001-2002 fiscal year may be used to acquire right-of-way for stations
13 in the Town of Valdese and the City of Asheville.

14 The Department of Transportation shall report to the Joint Legislative Transportation
15 Oversight Committee by March 15, 2002 on the status of negotiations with the Norfolk
16 Southern Corporation on needed track improvements and on the status of negotiations
17 with local governments on local financial participation to provide passenger rail service
18 to Western North Carolina.

19 Five hundred twenty thousand dollars (\$520,000) of the remaining unencumbered
20 funds appropriated for the 1998-99 fiscal year for Western North Carolina rail service
21 shall revert.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S7

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 **HIGHWAY TRUST FUND STUDY COMMITTEE.**

2 SECTION #. (a) Study Committee established. -- There is established a
3 Highway Trust Fund Study Committee to report to the Joint Legislative Transportation
4 Oversight Committee.

5 (b) Membership. -- The Study Committee shall be composed of fourteen
6 members as follows:

- 7 (1) The Chairs of the Joint Legislative Transportation Oversight
8 Committee.
9 (2) Four Representatives and two public members appointed by the
10 Speaker of the House of Representatives.
11 (3) Four Senators and two public members appointed by the President Pro
12 Tempore of the Senate.

13 In making their appointments the appointing authorities shall consider the
14 geographical diversity of the State.

15 (c) Duties of the Study Committee. -- The Committee may study all aspects of
16 the Highway Trust Fund. The study shall include the examination of all the following:

- 17 (1) The current status, cost estimates, and feasibility of Highway Trust
18 Fund projects currently listed in Article 14 of Chapter 136 of the
19 General Statutes.
20 (2) Unanticipated problems with the structure of the Highway Trust Fund.
21 (3) The gap between transportation funding structures and the actual
22 transportation needs of the State.
23 (4) Allocation issues raised by the structure of the transportation funding
24 equity distribution formula in G.S. 136-17.2A.
25 (5) The feasibility of altering the project eligibility requirements of the
26 Highway Trust Fund
27 (6) The feasibility of altering the funding allocation structure of the
28 Highway Trust Fund
29 (7) Any other issue related to the Highway Trust Fund or transportation
30 funding.

31 (d) Vacancies. -- The appointing authority shall fill any vacancy on the Study
32 Committee.

33 (e) Cochairs. -- Cochairs of the Study Committee shall be the cochairs of the
34 Joint Legislative Transportation Oversight Committee. The Study Committee shall meet
35 upon the call of the Chairs. A quorum of the Study committee shall be eight members.

- 1 (f) Expenses of Members. -- Members of the Study Committee shall receive per
2 diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or
3 138-6, as appropriate.
- 4 (g) Staff. -- The Legislative Services Office shall assign professional and clerical
5 staff to the assist the Study Committee in its work.
- 6 (h) Consultants. -- The Study Committee may hire consultants to examine
7 specific issues and subjects related to the study, in accordance with G.S. 120-32.02.
- 8 (i) Meetings During Legislative Session. -- The Study Committee may meet
9 during a regular or extra session of the General Assembly, subject to approval of the
10 Speaker of the House of Representatives and the President Pro Tempore of the Senate.
- 11 (j) Meeting Location. -- The Study Committee may meet at various locations
12 around the State in order to promote greater public participation in its deliberations. The
13 Legislative Services Commission shall grant adequate meeting space to the Study
14 Committee in the State Legislative Building or the Legislative Office Building.
- 15 (k) Report. -- The report of the study shall be made to Joint Legislative
16 Transportation Oversight Committee no later than April 1, 2002. Upon the filing of its
17 final report, the Study Committee shall terminate.
- 18 (l) Funding. -- The Study Committee shall be funded from funds available to the
19 Joint Legislative Transportation Oversight Committee, in accordance with G.S.
20 120-70.52.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S8

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 ***CHARLOTTE DOWNTOWN INTERMODAL STATION.***

2 **SECTION #.** The Department of Transportation shall report to the Joint
3 Legislative Transportation Oversight Committee by February 15, 2002 on the status of
4 the development of the downtown intermodal station in Charlotte. The report shall
5 include (i) the total cost, projected schedule, and scope of the project, (ii) how the costs
6 of the project will be met, including the shares of the costs borne by: the State of North
7 Carolina, participating local governments, federal funds, the Norfolk Southern
8 Corporation, private funding, and any other sources of funds, and (iii) description of
9 other significant aspects of the project, such as location, capacity, and modes of
10 transportation to be incorporated.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S10

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 ***DIVISION 3 HEADQUARTERS COMPLEX FUNDS.***

2 **SECTION #.** The requirement in §27.14 of S.L. 1999-237 that the Highway
3 Fund reimburse the Highway Trust Fund by June 30, 2004 for the capital costs required
4 to relocate the Division 3 headquarters complex in Wilmington, North Carolina is
5 rescinded.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S11

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 **DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ACCEPT**
2 **ELECTRONIC BIDS.**

3 SECTION #. (a) G.S. 136-28.1 is amended by adding a new subsection to
4 read:

5 "(k) The Department of Transportation may accept bids under this section by
6 electronic means and may issue rules governing the acceptance of these bids. For
7 purposes of this subsection 'electronic means' is defined as means relating to technology
8 having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar
9 capabilities."

10 SECTION #. (b) G.S. 136-28.1(a) reads as rewritten:

11 "(a) All contracts over eight hundred thousand dollars (\$800,000) that the
12 Department of Transportation may let for construction or repair necessary to carry out
13 the provisions of this Chapter shall be let to a responsible bidder after public advertising
14 under rules and regulations to be made and published by the Department of
15 Transportation. The right to reject any and all bids shall be reserved to the Board of
16 Transportation.

17 Contracts for construction or repair for federal aid projects entered into pursuant to
18 this section shall not contain the standardized contract clauses prescribed by 23 U.S.C. §
19 112(e) and 23 C.F.R. § 635.131(a) for differing site conditions, suspensions of work
20 ordered by the ~~engineer-engineer~~, or significant changes in the character of the work.
21 For those federal aid projects, the~~The~~ Department of Transportation shall use ~~only~~the
22 contract provisions provided in the North Carolina Department of Transportation,
23 Standard Specifications for Roads and Structures, January 1, 1984, except as each may
24 be changed or provided for by rule adopted by the Board of Transportation in
25 accordance with the Administrative Procedure Act."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S12

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ESTABLISH AN*
2 *ESCORT DRIVER CERTIFICATION PROGRAM.*

3 SECTION #. G.S. 20-119 is amended by adding a new subsection to read:

4 "(f) The Department of Transportation shall issue rules to establish an escort
5 driver training and certification program for escort vehicles accompanying
6 oversize/overweight loads. Any driver operating a vehicle escorting an
7 oversize/overweight load shall meet any training requirements and obtain certification
8 under the rules issued pursuant to this subsection. These rules may provide for
9 reciprocity with other states having similar escort certification programs. Certification
10 credentials for the driver of an escort vehicle shall be carried in the vehicle and be
11 readily available for inspection by law enforcement personnel."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S17

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *TRANSFER RESPONSIBILITIES OF GOVERNOR'S HIGHWAY SAFETY*
2 *PROGRAM TO THE OFFICE OF THE SECRETARY OF TRANSPORTATION.*

3 SECTION #. (a) G.S. 143B-360 reads as rewritten:

4 "§ 143B-360. Powers and duties of Department and Secretary.

5 The Department of Transportation is hereby empowered to contract ~~in~~on behalf of
6 the State with the government of the United States to the extent allowed by the laws of
7 North Carolina for the purpose of securing the benefits available to this State under the
8 Federal Highway Safety Act of 1966. To that end, the Secretary of Transportation shall
9 coordinate, with the Governor's approval, the activities of any and all departments and
10 agencies of the State and its subdivisions relating thereto.

11 All of the duties and responsibilities of the Governor's Highway Safety Program,
12 established pursuant to this section, are transferred to the Office of the Secretary of
13 Transportation."

14 SECTION #. (b) This section becomes effective July 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S18

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 ***SOME STATE AIRCRAFT OPERATIONS CONSOLIDATED.***

2 **SECTION #.** The aircraft operations of the Area Health Education Centers
3 of The University of North Carolina and the Department of Commerce shall be merged
4 into the aircraft operations of the Department of Transportation.

5 These agencies shall report to the Joint Legislative Commission on Governmental
6 Operations and to the Joint Legislative Transportation Oversight Committee by October
7 1, 2001 on the results of the consolidation, including reductions in aircraft, personnel,
8 parts inventories, material costs, and any other savings derived from the consolidation.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S21

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *STATE HIGHWAY PATROL/DIVISION OF MOTOR VEHICLES*
2 *ENFORCEMENT CONSOLIDATION STUDY.*

3 SECTION #. The Secretary of Transportation shall study the possibility of
4 increased efficiencies through the consolidation and integration of the law enforcement
5 and other statutory duties of the State Highway Patrol and the Enforcement Section of
6 the Division of Motor Vehicles and shall report the results of that study to the Joint
7 Legislative Transportation Oversight Committee and to the Chairs of the Senate and
8 House Appropriations Committees by December 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S22

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 **DRIVERS LICENSE/MOTOR VEHICLE REGISTRATION SECTION**
2 **CONSOLIDATION STUDY.**

3 **SECTION #.** The Department of Transportation shall study the
4 consolidation and integration of the functions of the Driver License Section and the
5 Vehicle Registration Section of the Division of Motor Vehicles to provide more
6 accessible, efficient, and cost-effective service to the public. The Department of
7 Transportation shall report the results of this study to the Joint Legislative
8 Transportation Oversight Committee by March 1, 2002.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S23

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION TO FUND*
2 *AVIATION GRANTS.*

3 SECTION #. Notwithstanding the provisions of G.S. 136-16.4 for
4 determining the amount of continuing aviation appropriations, there is appropriated
5 from the General Fund to the Department of Transportation the sum of seven million
6 two hundred fifty thousand dollars (\$7,250,000) for the 2001-2002 fiscal year to fund
7 aviation grants.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S25

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *CHANGE STATUTORY REFERENCES TO "COMMISSIONER OF MOTOR*
2 *VEHICLES."*

3 SECTION #. The Revisor of Statutes is directed to change all references to
4 the "Commissioner of Motor Vehicles" and all variants of references to the person
5 holding that position to "Secretary of Transportation or his designee" in Chapter 20 of
6 the General Statutes and in the following statutes:

7 G.S. 1-105, 8-37, 44A-4, 58-31-52, 58-36-65, 66-58, 105-187.1, 105-187.3, 105-
8 187.4, 105-187.10, 105-449.54, 143-116.8, 143-166.13, 143-215.107, 147-332, 158-42,
9 and in any other statute where those words or variants appear.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S28

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senator Gulley

1 *ASPHALT PAVEMENT RECYCLING*

2 SECTION #. The Department of Transportation as part of its resurfacing
3 programs, shall recycle pavement surfaces, where feasible, based on engineering and
4 economic analyses. On projects where hot in-place recycling is determined to be a
5 viable option, the Department shall use an alternate bid process.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S29

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senators Gulley and Shaw of Cumberland

1 *DEPARTMENT OF TRANSPORTATION TO HIRE CONSULTANT TO*
2 *FURTHER MINORITY BIDDER GOALS PROGRAM*

3 SECTION #. From available funds, the Department of Transportation shall
4 contract with a qualified consultant to identify and recruit potential minority contractors
5 to bid on highway projects to better meet the Department's minority contracting goals.

6 The consultant shall identify potential minority contractors, identify bonding
7 packages available to qualify the potential minority contractors to bid on highway
8 construction projects, conduct workshops to educate and inform potential minority
9 contractors about available resources to help eliminate the barriers to the potential
10 minority contractors bidding, being awarded, and successfully completing highway
11 contracts. The Department of Transportation shall report to the Joint Legislative
12 Transportation Oversight Committee by December 15, 2001 on the award of the
13 consulting contract and the actions taken by the consultant in implementing the
14 requirements of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S30

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senators Lee, Odom, Plyler

1 *AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL TRANSPARK*
2 *AIRPORT.*

3 SECTION #. The Department of Transportation's Aviation Division shall
4 study the transfer of the Global TransPark airport fixed assets and operations from the
5 Global TransPark Authority to another appropriate entity. The Aviation Division shall
6 report the results of this study to the Joint Legislative Transportation Oversight
7 Committee by December 1, 2001.

Handout #4

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-S32

Department of Transportation
Senate Appropriations Subcommittee on Transportation

Requested by: Senators Lee, Odom, Plyler

1 *STATE BOARD OF COMMUNITY COLLEGES TO STUDY TRANSFER OF*
2 *GLOBAL TRANSPARK EDUCATION AND TRAINING CENTER.*

3 SECTION #. The State Board of Community Colleges shall study the
4 transfer of the Education and Training Center from the Global TransPark Authority to
5 an appropriate public educational entity. The State Board of Community Colleges shall
6 report the results of the study to the Joint Legislative Transportation Oversight
7 Committee by December 15, 2001.

VISITOR REGISTRATION SHEET

Senate Appropriations Subcommittee on DOT

May 24, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Don Nail	NCDOT - Gov. Highway Safety Program 215 E. Lane St. Raleigh NC 27601
Jan Rungquist	NCPTA
Mike Alford	OSBPM
Jennifer Williams	CCPS
Boyd Cole	DOR
DAVID RICHARDS	DMV ENFORCEMENT
MIKE SIZEMORE	DMV ENFORCEMENT
Richard	DMV
BARRY CROSS	DMV ENFORCEMENT
Carol Howard	DOT / DMV
Wynne Staley	DOT

VISITOR REGISTRATION SHEET

Senate Appropriations Subcommittee on DOT

May 24, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Robinson	NC DMU EAF
David Alesbrook	NC DOT
Don Guins	NC DOT
Roberto Canales	NC DOT
Steve Vanvedor	NC DOT
Ruth Sappie	NC DOT
Sanford Crow	NC DOT
Cameron Lee	DOT
Rasa Hill	NC DOT - DMV
Maurice Ky	OSBPM
Al Lovett	NCSA

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)
Sent: Tuesday, June 05, 2001 3:35 PM
Subject: Approp/Trans Meeting Notice

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Wednesday, June 6, 2001
TIME: 8:30 am
LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **2:00 pm** on **June 5, 2001**.

____ Principal Clerk
____ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

June 6, 2001
8:30 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Representative Joanne Bowie

Presentation of the Senate Transportation Budget

Staff

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes
June 6, 2001
8:30 a.m.
Room 1228 LB

The House Appropriations Subcommittee on Transportation met on June 6, 2001 at 8:30 a.m. in room 1228 of the Legislative Building. Representative Nelson Cole presided. The following members were present:

Rep. Nelson Cole
Rep. Jim Crawford
Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Lorene Coates
Rep. Don Davis

Rep. Jerry Dockham
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

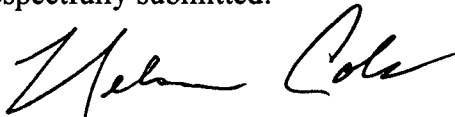
Representative Cole opened the meeting and introduced the pages. He indicated the intent of the meeting was to present the Senate recommendations for the 2001-2003 Expansion Budget. See handout #1, House Appropriations Subcommittee on Transportation, June 6, 2001. He then turned the meeting over to Bob Weiss, staff, who went over the changes that are indicated in handout #1 for the highway fund. On the first page under Availability, line items 3, 11, and 13-19 are the changes that were recommended that he called the member's attention to. The changes on the second page under the Expansion items were line items 5, 6, 9-18, 20 and 21. The two General Fund items at the bottom of the page, Global TransPark and Airport Grants, were the noted changes. Rep. Bowie requested that the Global TransPark salaries be made available at the next meeting. Staff indicated they would obtain these for the committee. Handout #2, Global TransPark Budget, was then given out and discussion followed.

Mr. Weiss then went over the Transportation Section K budget items that the Senate recommended for 2002-2003 found on pages K1 through K5 in handout #1. Rep. Cole asked staff to find out where the Highway Patrol will "fund equipment from other sources" as referred to in item 15 of page K4. Staff indicated they would get back with the committee on that.

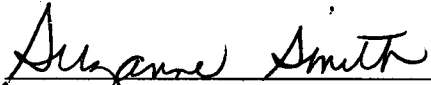
Representative Cole indicated that the Special Provisions of the Senate budget would be presented at the next meeting, Thursday, June 7, 2001 at 9:00 a.m. He asked that the members take the provisions with them today and review before the meeting.

The chair adjourned the meeting at 9:40 a.m.

Respectfully submitted:



Representative Nelson Cole
Co-chairman



Suzanne Smith
House Legislative Committee Assistant

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

June 6, 2001

2001-2003 Budget - Highway Fund

Senate Budget

Governor's Recommendations

	2001-2002	2002-2003	2001-2002	2002-2003
Availability				
1 Revenue	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000
2 Surplus from Prior Year	14,860,000 NR	-	14,860,000 NR	-
3 Reversions from Previous Years			1,000,000 NR	1,000,000 NR
4 Funds Available	1,318,140,000	1,311,720,000	1,319,140,000	1,311,720,000
5 Recommended Continuation Budget	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525
6				
7 Net Funds Available	113,662,497	99,999,475	114,662,497	99,999,475
8				
9				
10 Budget Reductions				
11 Retirement Rate Adjustment	(9,155,000)	(9,155,000)	(12,853,620)	(12,853,620)
12 Transfer to Highway Trust Fund	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)
13 Reduce Highway Patrol Inflationary Increases for Gasoline			(1,278,340)	(1,076,279)
14 Reduce Highway Patrol Inflationary Increases for Cars			(710,875)	(1,701,282)
15 Eliminate Highway Patrol Communications Equipment Upgrade			(875,000)	(875,000)
16 Reduce Driver Education Funding			(1,966,232)	(1,966,232)
17 Global Transpark Authority Administration			(605,549)	(640,882)
18 Eliminate DMV Commissioners Office			(1,777,828)	(2,365,937)
19 Eliminate Governor's Highway Safety Program			(357,277)	(357,277)
20				
21				
22				
23				
24 Total Adjustments and Reductions	(47,155,000)	(47,155,000)	(58,424,721)	(59,836,509)
25				
26 Total Funds Available for Expansion	160,817,497	147,154,475	173,087,218	159,835,984
27 Total Nonrecurring Funds Available	14,860,000 NR	-	15,860,000 NR	-
28 Total Recurring Funds Available	145,957,497	147,154,475	157,227,218	159,835,984 NR NR

2001-2003 Budget - Highway Fund

Senate Budget

Governor's Recommendations

Expansion Items	<u>2001-2002</u>		<u>2002-2003</u>		<u>2001-2002</u>		<u>2002-2003</u>	
1 Restore Maintenance Funds to FY 2001 Levels	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	
2 Increase Maintenance Funding	17,640,445	17,640,445	17,640,445	NR	22,894,341	22,894,341		
3 Increase Maintenance Funding (NR)	7,022,971	NR	NR	NR	7,022,971	NR	NR	NR
4 Restore Contract Resurfacing Funds to FY 2001 Levels	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	
5 Increase Contract Resurfacing Funds	10,000,000	10,000,000	10,000,000	10,000,000	17,000,000	17,000,000	17,000,000	
6 Increase Contract Resurfacing Funds (NR)								
7 Restore Public Transportation Funds to FY 2001 Levels	15,621,993	15,621,993	15,621,993	15,621,993	15,621,993	15,621,993	15,621,993	
8 Replace Federal Funds for Public Transportation	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	
9 Increase Public Transportation Funding	4,000,000	NR	4,000,000	NR	13,713,913	13,713,913	13,713,913	
10 Provide Funds for Western NC Rail Service	3,525,000	NR	3,525,000	NR	1,000,000	NR	NR	
11 Restore Rail Funds to FY 2001 Levels	9,407,088	NR	9,407,088	NR	2,000,000	2,000,000	2,000,000	
12 Restore Rail Funds to FY 2001 Levels (NR)								
13 Acquire Right of Way for Charlotte Station	15,000,000	NR	15,000,000	NR	5,000,000	NR	NR	
14 Repair and Renovation	10,000,000	NR	10,000,000	NR	1,634,000	NR	NR	
15 Replace General Fund Support for Airport Grants	5,000,000	NR	5,773,100	NR	5,000,000	NR	NR	
16 Commercial Vehicle Information Systems for DMV			480,000	NR				
17 Vehicle Registration Customer ID			106,849					
18 Increase Staffing for School Bus and Traffic Safety								
19 State Health Plan	7,000,000	9,000,000	9,000,000	9,000,000	7,000,000	9,000,000	9,000,000	
20 2% Salary Increase for Highway Fund Employees	8,600,000	8,600,000	8,600,000	8,600,000	7,200,000	7,200,000	7,200,000	
21 Small Urban and Rural Highway Construction					5,000,000	NR	NR	
22								
23 Total Expansion	160,817,497	147,154,475	147,154,475	147,154,475	173,087,218	135,430,247	135,430,247	
24 Nonrecurring Expansion	53,955,059	NR	38,185,188	NR	39,656,971	NR	NR	NR
25 Recurring Expansion	106,862,438	108,969,287	108,969,287	108,969,287	133,430,247	135,430,247	135,430,247	
26								
27 Surplus (Deficit)								24,405,737
30								
31								
32 Global TransPark					(1,062,717)			(1,093,102)
33 Airport Grants					(5,000,000)			

2001-2003 DOT Budget - General Fund

TRANSPORTATION
Section K

Transportation

GENERAL FUND

	FY 2001-02	FY 2002-03
Recommended Budget	\$17,753,426	\$14,486,443

Legislative Changes

Aeronautics and Global Transpark

(1200) Airport Grants

1 Reduce General Fund Support

Reduces General Fund Airport Grant Program by \$5 million, to be offset by increase in funding from Highway Fund, as recommended by Governor. (\$5,000,000) NR

Global Transpark

2 Global Transpark Operating Reduction

	2001-2002	2002-2003			
GTP Administration	\$424,451	\$433,651			
State Match/Runway	(\$1,116,742)	(\$1,094,350)			
Airport Operations	(\$124,795)	(\$157,987)			
Education and Training Center Operations	(\$115,247)	(\$134,807)			
Marketing	(\$54,749)	(\$56,939)			
Land Use Planning	(\$75,635)	(\$82,660)			
			(\$1,062,717)	R	(\$1,093,102) R

Total Legislative Changes	(\$1,062,717) R	(\$1,093,102) R
	(\$5,000,000) NR	

Total Position Changes

Revised Budget	\$11,690,709	\$13,393,341
-----------------------	---------------------	---------------------

Transportation

HIGHWAY FUND

Recommended Budget	FY 2001-02		FY 2002-03	
	\$1,204,477,503		\$1,211,720,525	
Legislative Changes				
Construction and Maintenance				
(5180) Construction - Contingency				
3 Small Urban and Rural Projects				
Provides additional funding for small urban and rural highway construction.	\$5,000,000	NR		
(5240) Maintenance - Contract Resurfacing				
4 Restore Contract Resurfacing Funds				
Restores funding to FY 2001 levels. FY 2001 budget contained \$7,000,000 in nonrecurring funding.	\$7,000,000	R	\$7,000,000	R
5 Increase Contract Resurfacing Funds				
Increases contract resurfacing funding over funding from previous years.	\$17,000,000	R	\$17,000,000	R
(5400) Capital Improvements				
6 Repair and Renovation				
Provides funds for repair and renovation of the Department's facilities.	\$1,634,000	NR		
(5940) Rail Program				
7 Partially Restore Rail Funding				
Partially restores funding to FY 2001 levels. FY 2001 budget contained \$12,932,088 in nonrecurring funding.	\$2,000,000	R	\$2,000,000	R
	\$6,000,000	NR		
	2001-2002	2002-2003		
Western NC Service (NR)	\$1,000,000			
Raleigh-Charlotte	\$2,000,000	\$2,000,000		
Raleigh-Charlotte (NR)	\$5,000,000			
8 Charlotte Station				
Funds remaining land acquisition for new multi-modal station in Charlotte.	\$15,000,000	NR		
(5950) Airport Program				
9 Airport Grants				
Replaces General Fund support for airport grants with Highway Fund appropriation.	\$5,000,000	NR		

Senate Subcommittee on Transportation

FY 2001-02

FY 2002-03

(5970) Public Transportation Program

10 Restore Public Transportation Funding

\$15,621,993 R \$15,621,993 R

Restores funding to FY 2001 levels. FY 2001 budget contained \$15,621,993 in nonrecurring funding.

	2001-2002	2002-2003
Rural Capital	\$1,150,000	\$1,150,000
Rural Operating	\$2,650,000	\$2,650,000
Elderly & Disabled	\$900,000	\$900,000
Urban & Regional Maint.	\$1,921,993	\$1,921,993
New Starts	\$9,000,000	\$9,000,000

11 Replace Federal Funds

\$10,000,000 R \$10,000,000 R

Replaces federal funds with State Highway Fund money. \$10,000,000 of federal Congestion, Mitigation and Air Quality Funding that is being replaced will be redirected to the Transportation Improvement Program (TIP).

	2001-2002	2002-2003
Rural Operating	\$600,000	\$600,000
Human Service	\$400,000	\$400,000
New Starts	\$8,000,000	\$8,000,000
Urban & Reg. Tech.	\$1,000,000	\$1,000,000

12 Increase Public Transportation Funding

\$13,713,913 R \$13,713,913 R

Increases public transportation funding over funding from previous years.

	2001-2002	2002-2003
Rural Capital	\$1,400,000	\$1,400,000
Rural Operating	\$1,400,000	\$1,400,000
Elderly & Disabled	\$500,000	\$500,000
Urban & Regional Maint.	\$4,007,259	\$4,007,259
New Starts	\$6,406,654	\$6,406,654

Governor's Highway Safety Program

(0410) Governor's Highway Safety

13 Transfer Program

(\$357,277) R (\$357,277) R

Transfers program to DOT Secretary's Office. Eliminates 12 positions currently funded under Governor's Highway Safety Program.

-12.00 -12.00

Division of Motor Vehicles

(0510) Commissioner's Office

14 Transfer Responsibilities and Eliminate Office

(\$1,777,828) R (\$2,365,937) R

Consolidates program within DOT and eliminates 31 positions.

-31.00 -31.00

Senate Subcommittee on Transportation

FY 2001-02

FY 2002-03

Reserves

(6270) Crime Control and Public Safety

15 Adjust Equipment Budget

Eliminates funds for upgrade of communications consoles and bay station equipment. Highway Patrol would be permitted to fund this equipment from other sources.

(\$875,000) R (\$875,000) R

16 Adjustment for Vehicle Inflationary Factors

Would reduce continuation budget increases in the new vehicle line item consistent with cost increases in previous years.

(\$710,875) R (\$1,701,282) R

17 Adjustment for Gasoline Inflationary Factors

Would reduce continuation budget increases in the gasoline line item consistent with Office of State Budget and Management guidelines.

(\$1,278,340) R (\$1,076,279) R

18 Transfer State Highway Patrol

With the elimination of the Department of Crime Control and Public Safety, the Division of State Highway Patrol will be transferred to the Department of Transportation. This transfer will be complete by June 30, 2002. As the State Highway Patrol budget is already funded by the Highway Fund, no additional funding is needed to implement this transfer.

\$0 R \$0 R

1860.00

(6310) Department of Public Instruction

19 Adjustment to Driver Education

Reduces funding due to fewer projected students and underspending in previous years.

(\$1,966,232) R (\$1,966,232) R

(6360) Global TransPark Authority

20 GTP Administration

Adjust budget

(\$605,549) R (\$640,882) R

(6370) Transfer to Highway Trust Fund

21 Discontinue Transfer to Highway Trust Fund

Ends transfer to Highway Trust Fund of money required by statute. These funds were originally made available from the retirement of Highway Fund bonds. As these bonds were paid off, money equal to the debt service on the bonds was paid to the Highway Trust Fund.

(\$38,000,000) R (\$38,000,000) R

(6611) Retirement Rate Adjustment

22 Retirement Rate Adjustment

Reduces the State contribution rate from 5.33% to 1.82% of payroll for members of the Teachers' and State Employees' Retirement System.

(\$12,853,620) R (\$12,853,620) R

Senate Subcommittee on Transportation

FY 2001-02

FY 2002-03

(6801) Compensation Increase

23 State Funded Compensation Increase

\$7,200,000

R

\$7,200,000

R

Provides funding for a permanent \$625 annual salary increase to State employees whose salaries and wages are supported out of the Highway Fund.

(6828) Reserve for Maintenance

24 Restore Maintenance Expenditures

\$31,000,000

R

\$31,000,000

R

Restores funding to FY 2001 levels. FY 2001 budget contained \$31,000,000 in nonrecurring funding.

25 Increase Maintenance Expenditures

\$22,894,341

R

\$22,894,341

R

Increases maintenance funding over funding from previous years.

\$7,022,971 NR

(6836) State Employee Reserve

26 State Employee Health Benefit Plan

\$7,000,000

R

\$9,000,000

R

Provides a 30% premium increase to the Plan for Teachers, State Employees, and Retired Employees effective October 1, 2001. The remaining financial support to keep the plan solvent through the 2001-03 biennium will come from increased premiums paid by employees for their families, cuts in payments to hospitals and physicians, and a reduction in the Plan's benefits.

Total Legislative Changes

\$75,005,526

R

\$75,593,738

R

\$39,656,971

NR

Total Position Changes

-43.00

1817.00

Revised Budget

\$1,319,140,000

\$1,287,314,263

Transportation Provisions in the Senate Budget

June 6, 2001

TABLE OF CONTENTS
PART XXVII. DEPARTMENT OF TRANSPORTATION

REPEAL BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO HIGHWAY TRUST FUND	
SECTION 27.1	1
DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS AUTHORIZED	
SECTION 27.2	1
SMALL URBAN AND CONTINGENCY FUNDS	
SECTION 27.3	1
CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS	
SECTION 27.4	2
WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION FUNDS	
SECTION 27.5	2
HIGHWAY TRUST FUND STUDY COMMITTEE	
SECTION 27.6	2
CHARLOTTE DOWNTOWN INTERMODAL STATION	
SECTION 27.7	3
DIVISION 3 HEADQUARTERS COMPLEX FUNDS	
SECTION 27.8	4
DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ACCEPT ELECTRONIC BIDS	
SECTION 27.9	4
DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ESTABLISH AN ESCORT DRIVER CERTIFICATION PROGRAM	
SECTION 27.10	4
TRANSFER RESPONSIBILITIES OF GOVERNOR'S HIGHWAY SAFETY PROGRAM TO THE OFFICE OF THE SECRETARY OF TRANSPORTATION	
SECTION 27.11	5
SOME STATE AIRCRAFT OPERATIONS CONSOLIDATED	
SECTION 27.12	5
STATE HIGHWAY PATROL/DIVISION OF MOTOR VEHICLES ENFORCEMENT CONSOLIDATION STUDY	
SECTION 27.13	5
DRIVERS LICENSE/MOTOR VEHICLE REGISTRATION SECTION CONSOLIDATION STUDY	
SECTION 27.14	5
APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION TO FUND AVIATION GRANTS	
SECTION 27.15	5
CHANGE STATUTORY REFERENCES TO "COMMISSIONER OF MOTOR VEHICLES"	
SECTION 27.16	6
DOT REGULATION OF THE TRANSIT OF MODULAR HOMES	
SECTION 27.17	6
ASPHALT PAVEMENT RECYCLING	
SECTION 27.18	6
AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL TRANSPARK AIRPORT	
SECTION 27.19	7
STATE BOARD OF COMMUNITY COLLEGES TO STUDY TRANSFER OF GLOBAL TRANSPARK EDUCATION AND TRAINING CENTER	

1 **PART XXVII. DEPARTMENT OF TRANSPORTATION**

2
3 Requested by: Senators Gulley, Plyler, Odom, Lee
4 **REPEAL BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO**
5 **HIGHWAY TRUST FUND**

6 SECTION 27.1. G.S. 136-176(a)(4) and G.S. 136-183 are repealed.

7
8 Requested by: Senators Gulley, Plyler, Odom, Lee
9 **DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS**
10 **AUTHORIZED**

11 SECTION 27.2.(a) Chapter 136 of the General Statutes is amended by
12 adding a new section to read:

13 "**§ 136-28.11. Design-build construction of transportation projects.**

14 Notwithstanding any other provision of law, the Board of Transportation may award
15 up to three contracts annually for construction of transportation projects on a design-
16 build basis. These contracts may be awarded after a determination by the Department of
17 Transportation that delivery of the projects must be expedited and that it is not in the
18 public interest to comply with normal design and construction contracting procedures.
19 Prior to the award of a design-build contract, the Secretary of Transportation shall report
20 to the Joint Legislative Transportation Oversight Committee and to the Joint Legislative
21 Commission on Governmental Operations on the nature and scope of the project and the
22 reasons an award on a design-build basis will best serve the public interest."

23 SECTION 27.2.(b) The Department of Transportation shall report to the
24 Joint Legislative Transportation Oversight Committee on September 1, December 1,
25 and March 1 of each year on the status of all design-build projects.

26
27 Requested by: Senators Gulley, Plyler, Odom, Lee
28 **SMALL URBAN AND CONTINGENCY FUNDS**

29 SECTION 27.3. Of the funds appropriated in this act to the Department of
30 Transportation:

31 (1) Fourteen million dollars (\$14,000,000) shall be allocated in each fiscal
32 year for small urban construction projects. These funds shall be
33 allocated equally in each fiscal year of the biennium among the 14
34 Highway Divisions for the small urban construction program for small
35 construction projects that are located within the area covered by a
36 one-mile radius of the municipal corporate limits.

37 (2) Fifteen million dollars (\$15,000,000) in fiscal year 2001-2002 and ten
38 million dollars (\$10,000,000) in fiscal year 2002-2003 shall be used
39 statewide for rural or small urban highway improvements and related
40 transportation enhancements to public roads and public facilities,
41 industrial access roads, and spot safety projects as approved by the
42 Secretary of Transportation.

43 None of these funds used for rural secondary road construction are subject to
44 the county allocation formulas in G.S. 136-44.5(b) and (c).

45 These funds are not subject to G.S. 136-44.7.

46 The Department of Transportation shall report to the members of the General
47 Assembly on projects funded pursuant to this section in each member's district prior to
48 the Board of Transportation's action. The Department shall make a quarterly
49 comprehensive report on the use of these funds to the Joint Legislative Transportation
50 Oversight Committee and the Fiscal Research Division.

51
52 Requested by: Senators Gulley, Plyler, Odom, Lee
53 **CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
54 **APPROPRIATIONS**

1 **SECTION 27.4.(a)** The General Assembly authorizes and certifies
2 anticipated revenues of the Highway Fund as follows:

3	FY 2003-2004	\$1,334.6 million
4	FY 2004-2005	\$1,369.8 million
5	FY 2005-2006	\$1,406.1 million
6	FY 2006-2007	\$1,445.5 million

7 The General Assembly authorizes and certifies anticipated revenues of the
8 Highway Trust Fund as follows:

9	FY 2003-2004	\$1,127.6 million
10	FY 2004-2005	\$1,176.5 million
11	FY 2005-2006	\$1,226.8 million
12	FY 2006-2007	\$1,278.4 million

13 **SECTION 27.4.(b)** Section 25 of S.L. 2000-67 is repealed.

14
15 Requested by: Senators Gulley, Plyler, Odom, Lee, Metcalf, Carter
16 **WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE**
17 **OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION FUNDS**

18 **SECTION 27.5.** Of the funds appropriated in this act for passenger rail
19 service in Western North Carolina, the Department of Transportation may use these
20 funds for the following purposes:

- 21 (1) Up to two hundred thousand dollars (\$200,000) during the 2001-2002
22 fiscal year may be used to contract with Amtrak to provide thruway
23 bus service for Western North Carolina. These funds may be used only
24 for operations and may not be used for the purchase of equipment or
25 for making infrastructure improvements.
- 26 (2) Up to three hundred twenty thousand dollars (\$320,000) during the
27 2001-2002 fiscal year may be used to acquire right-of-way for stations
28 in the Town of Valdese and the City of Asheville.
- 29 (3) Up to four hundred eighty thousand dollars (\$480,000) during the
30 2001-2002 fiscal year for other costs associated with Western North
31 Carolina rail service.

32 The Department of Transportation shall report to the Joint Legislative
33 Transportation Oversight Committee by March 15, 2002, on the status of negotiations
34 with the Norfolk Southern Corporation on needed track improvements and on the status
35 of negotiations with local governments on local financial participation to provide
36 passenger rail service to Western North Carolina.

37 One million dollars (\$1,000,000) of the remaining unencumbered funds
38 appropriated for the 1998-99 fiscal year for Western North Carolina rail service shall be
39 transferred to the Highway Fund for the 2001-2002 fiscal year.

40
41 Requested by: Senators Gulley, Plyler, Odom, Lee
42 **HIGHWAY TRUST FUND STUDY COMMITTEE**

43 **SECTION 27.6.(a)** Study Committee Established. – There is established a
44 Highway Trust Fund Study Committee to report to the Joint Legislative Transportation
45 Oversight Committee.

46 **SECTION 27.6.(b)** Membership. – The Study Committee shall be composed
47 of 14 members as follows:

- 48 (1) The Chairs of the Joint Legislative Transportation Oversight
49 Committee.
- 50 (2) Four Representatives and two public members appointed by the
51 Speaker of the House of Representatives.
- 52 (3) Four Senators and two public members appointed by the President Pro
53 Tempore of the Senate.

1 In making their appointments, the appointing authorities shall consider the
2 geographical diversity of the State.

3 **SECTION 27.6.(c) Duties of the Study Committee.** – The Committee may
4 study all aspects of the Highway Trust Fund. The study shall include the examination of
5 all the following:

- 6 (1) The current status, cost estimates, and feasibility of Highway Trust
7 Fund projects currently listed in Article 14 of Chapter 136 of the
8 General Statutes.
- 9 (2) Unanticipated problems with the structure of the Highway Trust Fund.
- 10 (3) The gap between transportation funding structures and the actual
11 transportation needs of the State.
- 12 (4) Allocation issues raised by the structure of the transportation funding
13 equity distribution formula in G.S. 136-17.2A.
- 14 (5) The feasibility of altering the project eligibility requirements of the
15 Highway Trust Fund.
- 16 (6) The feasibility of altering the funding allocation structure of the
17 Highway Trust Fund.
- 18 (7) Any other issue related to the Highway Trust Fund or transportation
19 funding.

20 **SECTION 27.6.(d) Vacancies.** – The appointing authority shall fill any
21 vacancy on the Study Committee.

22 **SECTION 27.6.(e) Cochairs.** – Cochairs of the Study Committee shall be
23 the cochairs of the Joint Legislative Transportation Oversight Committee. The Study
24 Committee shall meet upon the call of the Chairs. A quorum of the Study committee
25 shall be eight members.

26 **SECTION 27.6.(f) Expenses of Members.** – Members of the Study
27 Committee shall receive per diem, subsistence, and travel allowances in accordance
28 with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

29 **SECTION 27.6.(g) Staff.** – The Legislative Services Office shall assign
30 professional and clerical staff to the assist the Study Committee in its work.

31 **SECTION 27.6.(h) Consultants.** – The Study Committee may hire
32 consultants to examine specific issues and subjects related to the study, in accordance
33 with G.S. 120-32.02.

34 **SECTION 27.6.(i) Meetings During Legislative Session.** – The Study
35 Committee may meet during a regular or extra session of the General Assembly, subject
36 to approval of the Speaker of the House of Representatives and the President Pro
37 Tempore of the Senate.

38 **SECTION 27.6.(j) Meeting Location.** – The Study Committee may meet at
39 various locations around the State in order to promote greater public participation in its
40 deliberations. The Legislative Services Commission shall grant adequate meeting space
41 to the Study Committee in the State Legislative Building or the Legislative Office
42 Building.

43 **SECTION 27.6.(k) Report.** – The report of the study shall be made to the
44 Joint Legislative Transportation Oversight Committee no later than April 1, 2002. Upon
45 the filing of its final report, the Study Committee shall terminate.

46 **SECTION 27.6.(l) Funding.** – The Study Committee shall be funded from
47 funds available to the Joint Legislative Transportation Oversight Committee, in
48 accordance with G.S. 120-70.52.

49
50 Requested by: Senators Gulley, Plyler, Odom, Lee
51 **CHARLOTTE DOWNTOWN INTERMODAL STATION**

52 **SECTION 27.7.** The Department of Transportation shall report to the Joint
53 Legislative Transportation Oversight Committee by February 15, 2002, on the status of
54 the development of the downtown intermodal station in Charlotte. The report shall

1 include (i) the total cost, projected schedule, and scope of the project, (ii) how the costs
2 of the project will be met, including the shares of the costs borne by: the State of North
3 Carolina, participating local governments, federal funds, the Norfolk Southern
4 Corporation, private funding, and any other sources of funds, and (iii) description of
5 other significant aspects of the project, such as location, capacity, and modes of
6 transportation to be incorporated.

7
8 Requested by: Senators Gulley, Plyler, Odom, Lee

9 **DIVISION 3 HEADQUARTERS COMPLEX FUNDS**

10 **SECTION 27.8.** The requirement in Section 27.14 of S.L. 1999-237 that the
11 Highway Fund reimburse the Highway Trust Fund by June 30, 2004, for the capital
12 costs required to relocate the Division 3 headquarters complex in Wilmington, North
13 Carolina, is rescinded.

14
15 Requested by: Senators Gulley, Plyler, Odom, Lee

16 **DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ACCEPT**
17 **ELECTRONIC BIDS**

18 **SECTION 27.9.(a)** G.S. 136-28.1 is amended by adding a new subsection to
19 read:

20 "(k) The Department of Transportation may accept bids under this section by
21 electronic means and may issue rules governing the acceptance of these bids. For
22 purposes of this subsection 'electronic means' is defined as means relating to technology
23 having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar
24 capabilities."

25 **SECTION 27.9.(b)** G.S. 136-28.1(a) reads as rewritten:

26 "(a) All contracts over eight hundred thousand dollars (\$800,000) that the
27 Department of Transportation may let for construction or repair necessary to carry out
28 the provisions of this Chapter shall be let to a responsible bidder after public advertising
29 under rules and regulations to be made and published by the Department of
30 Transportation. The right to reject any and all bids shall be reserved to the Board of
31 Transportation.

32 Contracts for construction or repair for federal aid projects entered into pursuant to
33 this section shall not contain the standardized contract clauses prescribed by 23 U.S.C. §
34 112(e) and 23 C.F.R. § 635.131(a) for differing site conditions, suspensions of work
35 ordered by the ~~engineer-engineer~~, or significant changes in the character of the work.
36 For those federal aid projects, the ~~The~~ Department of Transportation shall use ~~only~~ the
37 contract provisions provided in the North Carolina Department of Transportation,
38 Standard Specifications for Roads and Structures, January 1, 1984, except as each may
39 be changed or provided for by rule adopted by the Board of Transportation in
40 accordance with the Administrative Procedure Act."

41
42 Requested by: Senators Gulley, Plyler, Odom, Lee

43 **DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ESTABLISH AN**
44 **ESCORT DRIVER CERTIFICATION PROGRAM**

45 **SECTION 27.10.** G.S. 20-119 is amended by adding a new subsection to
46 read:

47 "(f) The Department of Transportation shall issue rules to establish an escort
48 driver training and certification program for escort vehicles accompanying
49 oversize/overweight loads. Any driver operating a vehicle escorting an
50 oversize/overweight load shall meet any training requirements and obtain certification
51 under the rules issued pursuant to this subsection. These rules may provide for
52 reciprocity with other states having similar escort certification programs. Certification
53 credentials for the driver of an escort vehicle shall be carried in the vehicle and be
54 readily available for inspection by law enforcement personnel."

1
2 Requested by: Senators Gulley, Plyler, Odom, Lee
3 **TRANSFER RESPONSIBILITIES OF GOVERNOR'S HIGHWAY SAFETY**
4 **PROGRAM TO THE OFFICE OF THE SECRETARY OF**
5 **TRANSPORTATION**

6 **SECTION 27.11.(a)** G.S. 143B-360 reads as rewritten:
7 "**§ 143B-360. Powers and duties of Department and Secretary.**

8 The Department of Transportation is hereby empowered to contract ~~in~~ on behalf of
9 the State with the government of the United States to the extent allowed by the laws of
10 North Carolina for the purpose of securing the benefits available to this State under the
11 Federal Highway Safety Act of 1966. To that end, the Secretary of Transportation shall
12 coordinate, with the Governor's approval, the activities of any and all departments and
13 agencies of the State and its subdivisions relating thereto.

14 All of the duties and responsibilities of the Governor's Highway Safety Program,
15 established pursuant to this section, are transferred to the Office of the Secretary of
16 Transportation."

17 **SECTION 27.11.(b)** This section becomes effective July 1, 2001.
18

19 Requested by: Senators Gulley, Plyler, Odom, Lee, Hoyle
20 **SOME STATE AIRCRAFT OPERATIONS CONSOLIDATED**

21 **SECTION 27.12.** The aircraft operations of the Area Health Education
22 Centers of The University of North Carolina and the Department of Commerce shall be
23 merged into the aircraft operations of the Department of Transportation.

24 These agencies shall report to the Joint Legislative Commission on
25 Governmental Operations and to the Joint Legislative Transportation Oversight
26 Committee by October 1, 2001, on the results of the consolidation, including reductions
27 in aircraft, personnel, parts inventories, material costs, and any other savings derived
28 from the consolidation.
29

30 Requested by: Senators Gulley, Plyler, Odom, Lee
31 **STATE HIGHWAY PATROL/DIVISION OF MOTOR VEHICLES**
32 **ENFORCEMENT CONSOLIDATION STUDY**

33 **SECTION 27.13.** The Secretary of Transportation shall study the possibility
34 of increased efficiencies through the consolidation and integration of the law
35 enforcement and other statutory duties of the State Highway Patrol and the Enforcement
36 Section of the Division of Motor Vehicles and shall report the results of that study to the
37 Joint Legislative Transportation Oversight Committee and to the Chairs of the Senate
38 and House of Representatives Appropriations Committees by December 1, 2001.
39

40 Requested by: Senators Gulley, Plyler, Odom, Lee
41 **DRIVERS LICENSE/MOTOR VEHICLE REGISTRATION SECTION**
42 **CONSOLIDATION STUDY**

43 **SECTION 27.14.** The Department of Transportation shall study the
44 consolidation and integration of the functions of the Driver License Section and the
45 Vehicle Registration Section of the Division of Motor Vehicles to provide more
46 accessible, efficient, and cost-effective service to the public. The Department of
47 Transportation shall report the results of this study to the Joint Legislative
48 Transportation Oversight Committee by March 1, 2002.
49

50 Requested by: Senators Gulley, Plyler, Odom, Lee
51 **APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION TO**
52 **FUND AVIATION GRANTS**

53 **SECTION 27.15.** Notwithstanding the provisions of G.S. 136-16.4 for
54 determining the amount of continuing aviation appropriations, there is appropriated

1 from the General Fund to the Department of Transportation the sum of seven million
2 two hundred fifty thousand dollars (\$7,250,000) for the 2001-2002 fiscal year to fund
3 aviation grants.

4
5 Requested by: Senators Gulley, Plyler, Odom, Lee
6 **CHANGE STATUTORY REFERENCES TO "COMMISSIONER OF MOTOR**
7 **VEHICLES"**

8 **SECTION 27.16.** The Revisor of Statutes is directed to change all references
9 to the "Commissioner of Motor Vehicles" and all variants of references to the person
10 holding that position to "Secretary of Transportation or his designee" in Chapter 20 of
11 the General Statutes and in the following statutes:

12 G.S. 1-105, 8-37, 44A-4, 58-31-52, 58-36-65, 66-58, 105-187.1, 105-187.3,
13 105-187.4, 105-187.10, 105-449.54, 143-116.8, 143-166.13, 143-215.107, 147-33.2,
14 158-42, and in any other statute where those words or variants appear.

15
16 Requested by: Senators Gulley, Rand, Plyler, Odom, Lee
17 **DOT REGULATION OF THE TRANSIT OF MODULAR HOMES**

18 **SECTION 27.17.(a)** G.S. 20-356 reads as rewritten:
19 **"§ 20-356. Definitions.**

20 "Person" as used in this Article shall mean an individual, corporation, partnership,
21 association or any other business entity. The word "house" as used in this Article shall
22 mean a dwelling, building, or other structure in excess of 14 feet in ~~width~~ width;
23 provided that neither mobile homes, nor modular homes or portions thereof, are within
24 this definition when being transported from a manufacturer. The word "Department" as
25 used in this Article shall mean the North Carolina Department of Transportation."

26 **SECTION 27.17.(b)** G.S. 150B-21.1 is amended by adding a new
27 subsection to read:

28 "(a8) Notwithstanding the provisions of subsection (a) of this section, the
29 Secretary of Transportation may adopt temporary rules concerning the movement of
30 modular homes. After having the proposed temporary rule published in the North
31 Carolina Register and at least 30 days prior to adopting a temporary rule pursuant to this
32 subsection, the Secretary shall:

- 33 (1) Notify persons on its mailing list maintained pursuant to G.S. 150B-
34 21.2(d) and any other interested parties of its intent to adopt a
35 temporary rule.
36 (2) Accept oral and written comments on the proposed temporary rule.
37 (3) Hold at least one public hearing on the proposed temporary rule.

38 When the Secretary adopts a temporary rule pursuant to this subsection, the
39 Secretary must submit a reference to this subsection as the Secretary's statement of need
40 to the Codifier of Rules.

41 Notwithstanding any other provision of this Chapter, the Codifier of Rules shall
42 publish in the North Carolina Register a proposed temporary rule received from the
43 Secretary in accordance with this subsection."

44
45 Requested by: Senators Gulley, Plyler, Odom, Lee, Albertson
46 **ASPHALT PAVEMENT RECYCLING**

47 **SECTION 27.18.** The Department of Transportation as part of its
48 resurfacing programs, shall recycle pavement surfaces, where feasible, based on
49 engineering and economic analyses. On projects where hot in-place recycling is
50 determined to be a viable option, the Department shall use an alternate bid process.

51
52 Requested by: Senators Gulley, Lee, Odom, Plyler
53 **AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL**
54 **TRANSPARK AIRPORT**

1 **SECTION 27.19.** The Department of Transportation's Aviation Division
2 shall study the transfer of the Global TransPark airport fixed assets and operations from
3 the Global TransPark Authority to another appropriate entity. The Aviation Division
4 shall report the results of this study to the Joint Legislative Transportation Oversight
5 Committee by December 15, 2001.
6

7 Requested by: Senators Gulley, Lee, Odom, Plyler
8 **STATE BOARD OF COMMUNITY COLLEGES TO STUDY TRANSFER OF**
9 **GLOBAL TRANSPARK EDUCATION AND TRAINING CENTER**

10 **SECTION 27.20.** The State Board of Community Colleges shall study the
11 transfer of the Education and Training Center from the Global TransPark Authority to
12 an appropriate public educational entity. The State Board of Community Colleges shall
13 report the results of the study to the Joint Legislative Transportation Oversight
14 Committee by December 15, 2001.

Global TransPark Budget

Handout #2

	Governor's Budget		Committee Budget		Differences from Governor's Budget	
	FY01-02	FY02-03	FY01-02	FY02-03	FY01-02	FY01-02
Highway Fund						
Funds for GTP Authority Administration	\$ 1,211,098	\$ 1,259,542	\$ 605,549	\$ 618,660	\$ (605,549)	\$ (640,882)
General Fund - DOT						
Funds for GTP Admin	0	0	424,451	433,641	\$ 424,451	\$ 433,641
State Match/Runway Construction	\$ 1,692,291	\$ 1,660,709	\$ 575,549	\$ 566,359	\$ (1,116,742)	\$ (1,094,350)
Airport Operations	\$ 829,795	\$ 862,987	\$ 705,000	\$ 705,000	\$ (124,795)	\$ (157,987)
Education and Training Center Ops	\$ 765,247	\$ 795,857	\$ 650,000	\$ 661,050	\$ (115,247)	\$ (134,807)
Marketing	\$ 379,749	\$ 394,939	\$ 325,000	\$ 338,000	\$ (54,749)	\$ (56,939)
Land Use Planning	\$ 175,635	\$ 182,660	\$ 100,000	\$ 100,000	\$ (75,635)	\$ (82,660)
General Fund - DOT - Total	\$ 3,842,717	\$ 3,897,152	\$ 2,780,000	\$ 2,804,050	\$ (1,062,717)	\$ (1,093,102)
General Fund - Commerce						
Marketing	\$ 172,036	\$ 172,036	\$ 172,036	\$ 172,036	\$ 172,036	\$ 172,036
General Fund - Total	\$ 4,014,753	\$ 4,069,188	\$ 2,952,036	\$ 2,976,086	\$ (890,681)	\$ (921,066)

HOUSE PAGES:

Name:

A.J. Webb

Town:

Marion

Sponsor:

Mitch Gillespie

Name:

Philip White

Town:

Vale

Sponsor:

Joe Kiser

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Thursday, June 7, 2001

TIME: 9:00 am

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **1:00 pm on June 6, 2001.**

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

MINUTES
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JUNE 7, 2001

The Appropriations Subcommittee on Transportation met on Thursday, June 7, 2001, in Room 1228/1327 of the Legislative Building at 9:00 a.m. The following members were present: Presiding Chairman Jim Crawford; Representatives Barbee, Blue, Bowie, Coates, Cole, Davis, Hiatt, McAllister, Saunders and Sutton. Staff to the committee, Evan Rodewald, Ken Levenbrook, and Bob Weiss attended. Representative Crawford introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Transportation Provisions in Senate Budget

Chairman Crawford called upon Bob Weiss to present the transportation special provisions in the Senate Budget. Mr. Weiss referred to the handout of June 6 and gave a brief explanation of what each provision would do.

Discussion raised flags on the following:

27.2 Design-Build Transportation Construction Contracts Authorized. DOT staff is to provide more information on why this provision has not been used previously.

27.11 Transfer Responsibilities of Governor's Highway Safety Program to the Office of the Secretary of Transportation.

27.13 State Highway Patrol Division of Motor Vehicles Enforcement Consolidation Study.

27.16 Change Statutory References to "Commissioner of Motor Vehicles."

27.18 Asphalt Pavement Recycling.

27.19 Aviation Division Study the Transfer of the Global Transpark airport.

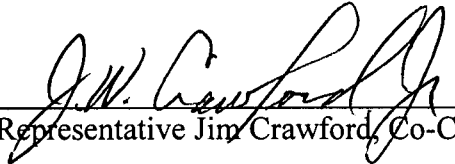
From June 7 handout...

Section 2.2 NC Railroad Company dividends

Section 25.11 Medium Custody Road Crew Compensation.

Chairman Crawford said the co-chairs will review the provisions, and the committee will further discuss them at the next meeting.

The meeting adjourned at 9:55 a.m.



Representative Jim Crawford, Co-Chair



Linda Winstead, Committee Assistant

1 Requested by: Senators Plyler, Odom, Lee
 2 **GENERAL FUND AVAILABILITY STATEMENT**
 3 **SECTION 2.2.(a)** The General Fund availability used in developing the
 4 2001-2003 biennial budget is shown below:

	2001-2002	2002-2003
	(\$ Millions)	(\$ Millions)
General Fund Budget Reform Statement		
1. Composition of the 2001-2002 beginning availability:		
a. Unappropriated balance	0.0	--
b. Revenue collections in fiscal year 2000-2001 in excess of authorized estimates	0.0	--
c. Unexpended appropriations during fiscal year 2000-2001 (Reversions)	0.0	--
Beginning Unreserved Credit Balance	0.0	--
2. Revenues Based on Existing Tax Structure	13,473.8	14,451.2
3. Non-Tax Revenues:		
Investment Income	152.0	167.0
Judicial Fees	109.5	111.7
Disproportionate Share	107.0	107.0
Insurance	43.9	45.8
Other Non-Tax Revenues	110.0	111.2
Highway Trust Fund Transfer	170.0	170.0
Highway Fund Transfer	14.0	15.3
Subtotal	14,180.7	15,179.2
4. Other Adjustments		
North Carolina Railroad General Fund Repayment	19.0	--
Senate Bill 353 Enhance Department of Revenue Collections	18.0	18.0
Butner Assessment Increase	0.3	0.5
Internal Revenue Code Conformity Adjustment	(3.4)	(3.8)
Closure of Tax Loopholes	190.8	232.9
Tax Withholding Acceleration	66.1	2.0
Transfer of Cash from Special, Trust, Internal Service, and Reserve Funds	447.0	--
Court Fees Adjustment for the State Bar	(1.7)	(1.7)
Transfer to the Savings Reserve Account	(164.2)	--
Subtotal	571.9	247.9
TOTAL GENERAL FUND AVAILABILITY	\$14,752.6	\$15,427.1

*

40 **SECTION 2.2.(b)** Notwithstanding the provisions of Section 7.2.(a) of S.L.
 41 2000-67, nineteen million dollars (\$19,000,000) of the North Carolina Railroad
 42 Company dividends received by the State during the 2000-2001 fiscal year and the
 43 2001-2002 fiscal year shall: (i) be applied to increase the capital of the North Carolina
 44 Railroad Company, (ii) reduce the obligations described in subsection (c) of Section
 45 32.30 of S.L. 1997-443, as amended by subsection (d) of Section 27.11 of S.L.
 46 1999-237, and (iii) be deposited in the General Fund.

47 **SECTION 2.2.(c)** The balance of Budget Code 19930, the Hurricane Floyd
 48 Reserve Fund established pursuant to S.L.1999-463 (Extra Session), shall be transferred
 49 to the General Fund on July 1, 2001. Funds are appropriated in this act for the
 50 2001-2003 fiscal biennium to the Office of State Budget and Management, Hurricane
 51 Floyd Reserve Fund, in an amount equal to the amount transferred under this section.
 52 These funds shall be expended only for Hurricane Floyd recovery according to the
 53 purposes, procedures, and requirements provided in S.L. 1999-463 (Extra Session).

1 The willful failure of a prisoner to remain within the extended limits of his confinement,
 2 or to return within the time prescribed to the place of confinement designated by the
 3 Secretary of Correction, shall be deemed an escape from the custody of the Secretary of
 4 Correction punishable as provided in G.S. 148-45."

5 **SECTION 25.9.(b)** This section is effective when it becomes law and
 6 applies to inmates serving sentences on or after that date.
 7

8 Requested by: Senators Jordan, Ballance, Plyler, Odom, Lee

9 **ENERGY FOR COMMITTED OFFENDERS/CONTRACT AND REPORT**

10 **SECTION 25.10.** The Department of Correction may continue to contract
 11 with Energy for Committed Offenders, Inc., for the purchase of prison beds for
 12 minimum security female inmates during the 2001-2003 biennium. Energy for
 13 Committed Offenders, Inc., shall report by February 1 of each year to the Joint
 14 Legislative Commission on Governmental Operations on the annual cost per inmate and
 15 the average daily inmate population compared to bed capacity using the same
 16 methodology as that used by the Department of Correction. Energy for Committed
 17 Offenders, Inc., shall also provide information on the rearrest rate and the
 18 return-to-prison rate for inmates participating in the program who are paroled or
 19 released from prison.
 20

21 Requested by: Senators Jordan, Ballance, Plyler, Odom, Lee

22 **MEDIUM CUSTODY ROAD CREW COMPENSATION**

23 **SECTION 25.11.(a)** Of funds appropriated to the Department of
 24 Transportation by this act, the sum of eight million five hundred thousand dollars
 25 (\$8,500,000) per year shall be used by the Department to reimburse the Department of
 26 Correction during the 2001-2003 biennium for costs authorized by G.S. 148-26.5 for
 27 highway-related labor performed by medium-custody prisoners. The Department of
 28 Transportation may use funds appropriated by this act to pay requested reimbursements
 29 submitted by the Department of Correction over and above the eight million five
 30 hundred thousand dollars (\$8,500,000), but those reimbursement requests shall be
 31 subject to negotiations among the Department of Transportation, the Department of
 32 Correction, and the Office of State Budget and Management prior to payment by the
 33 Department of Transportation.
 34

35 **SECTION 25.11.(b)** The Department of Transportation shall reimburse the
 36 Department of Correction the sum of one million eight hundred eleven thousand six
 37 hundred twenty-eight dollars (\$1,811,628) between July 1 and July 31, 2001, in order to
 38 fully comply with subsection (a) of Section 27.21 of S.L. 1999-237, which directed the
 39 Department of Transportation to provide reimbursement during the 1999-2001
 40 biennium for highway-related labor performed by medium-custody prisoners.

41 **SECTION 25.11.(c)** Subsection (b) of Section 27.21 of S.L. 1999-237 is
 42 repealed.

43 **SECTION 25.11.(d)** The Department of Transportation and the Department
 44 of Correction shall report to the Joint Legislative Corrections and Juvenile Justice
 45 Oversight Committee and the Joint Legislative Transportation Oversight Committee by
 46 March 1, 2002, on road squad activity and the implementation of the provisions of this
 47 section.

48 Requested by: Senators Jordan, Ballance, Plyler, Odom, Lee

49 **CLARIFY THE LAW PROVIDING FOR COMPENSATION TO PERSONS**
 50 **ERRONEOUSLY CONVICTED AND INCREASE THE AMOUNT OF**
 51 **COMPENSATION ALLOWED**

52 **SECTION 25.12.(a)** G.S. 148-84 reads as rewritten:

Attachment A

STATE AIRCRAFT*

DEPARTMENT	AIRCRAFT	PERSONNEL	BUDGET
State Highway Patrol	13 helicopters	18 positions	\$1,500,000
Department of Commerce	2 airplanes 2 helicopters	6 pilots 2 mechanics	\$2,600,000
Wildlife Resources Commission	4 airplanes	4 Wildlife LEOs 1 supervisor	\$200,000
DENR-Marine Fisheries	2 airplanes 2 helicopters	3 pilots	\$300,000
DENR-Forest Resources	34 airplanes (12 state-owned) (22 federal surplus)	22 pilots 6 aircraft mechanics 5 helicopter crew chief/mechanics 11 seasonal pilots 1 seasonal helicopter crew chief/mechanic	\$3,200,000
Department of Transportation	4 airplanes	4 pilots 3 mechanics 2 coordinators	\$1,200,000 1,400,000
SBI	4 airplanes	3 pilots	\$200,000
North Carolina Area Health Education Centers	6 airplanes	1 director 8 pilots 3 mechanics 2 clerical	\$600,000
TOTAL	73 aircraft	100 positions	\$9,800,000

103

(1,000,000)

* National Guard and Civil Air Patrol aircraft are not owned by the State and are not included on this list. However, National Guard and Civil Air Patrol aircraft can be used by the State in times of emergency, and are used routinely by the State for drug eradication efforts.

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)
Sent: Thursday, June 07, 2001 10:34 AM
Subject: Approp/Trans Meeting Notice

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Tuesday, June 12, 2001
TIME: 9:00 am
LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **11:00 am** on **June 7, 2001**.

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

June 12, 2001
9:00 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Representative Joanne Bowie

Discussion of the Budget

Secretary Lyndo Tippet, Department of Transportation

Further Discussion by the Committee

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

June 12, 2001

9:00 a.m.

Room 1228 LB

The House Appropriations Subcommittee on Transportation met on June 12, 2001 at 9:00 a.m. in room 1228 of the Legislative Building. Representative Nelson Cole chaired the meeting. A visitor registration sheet is attached and made part of these minutes. The following members were present:

Rep. Jim Crawford
Rep. Nelson Cole
Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Lorene Coates

Rep. Don Davis
Rep. Jerry Dockham
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Cole opened the meeting and acknowledged the pages. He stated that the committee will be developing the House recommendations for the budget with input from the committee members and anticipating have it complete by the end of the week. Five bills have been put in the Transportation/Appropriation Committee that will be taken up at a later time.

Representative Cole introduced Secretary Lyndo Tippet with the Department of Transportation who gave the proposed budget changes for DOT as listed in handout #1, letter to the Honorable Phillip A. Baddour, Jr., from DOT Secretary Lyndo Tippet. These changes are:

- Environmental and construction streamlining and using the Design-Build process to accelerate transportation projects and implement administrative cost reductions.
- To continue the level of services that NCDOT provides and that citizens expect from the department, it is crucial that the Office of the DMV Commissioner remain in place. DMV generates \$957 million in revenue each year and the Commissioner's Office provides policy, management and administration to 1,844 employees.
- Streamlining many DMV operations, which will save over \$4 million over the next two years. These recommendations are outlined on page three on handout #1.
- Eliminate the Governor's Highway Safety Program (GHSP) which would jeopardize more than \$13 million in federal grants that contribute enormously to highway safety in North Carolina. See pages four and five on handout #1. By streamlining and better integrating GHSP functions with DOT, \$200,000 can be saved in state funds

over the next two years. \$8 million is expected to be funded in safety projects throughout the state which previously were funded solely by state highway funds. This will enable DOT to clear the backlog of many signal and other intersection projects over the next two years.

- Increase the driver license fee from \$10 to \$15, which would generate \$3.1 million annually, and increase the vehicle registration fees from \$20 to \$23, generating \$13.5 annually. Secretary Tippett stated that these fees haven't been increased since 1985.
- Increase ferry tolls on Cedar Island to Ocracoke and Swan Quarter to Ocracoke from \$10 to \$15, Southport to Fort Fisher from \$3 to \$5 and implement a toll of \$5 from Hatteras to Ocracoke, generating \$2.1 annually. The ferry fees haven't been increased since 1981.

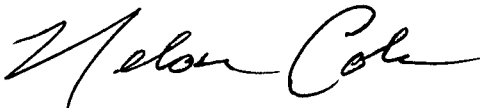
After Secretary Tippett completed the proposed changes, discussion followed. Rep. Sutton asked how much money the new graduated driver's license program was generating. DOT said they would check and get back with the committee on that figure.

Commissioner Carol Howard, DOT, was then asked some questions concerning the automated voice response system that DMV will implement.

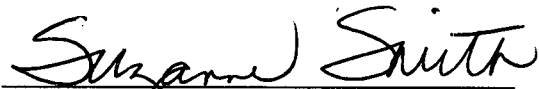
Representative Cole ask the committee to look at the proposals presented and that the committee will meet again this afternoon, June 12, 2001, at 2:00 to go over the proposed budget.

The meeting was adjourned at 9:55 a.m.

Respectfully submitted:



Representative Nelson Cole
Co-Chairman



Suzanne Smith
House Legislative Committee Assistant

Handout #1



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

LYNDO TIPPETT
SECRETARY

June 12, 2001

The Honorable Phillip A. Baddour, Jr.
North Carolina House of Representatives
2301 Legislative Building
Raleigh, North Carolina 27601

Dear Representative Baddour:

Each day North Carolina's citizens rely on government services to help meet their health care, education and transportation needs. As our state faces the challenge of balancing priorities and needs on a limited budget, I appreciate the difficult task our legislative leadership must bear. That is why I have taken a number of steps to ensure the most efficient use of resources at the N.C. Department of Transportation.

Improvements reported to the Transportation Finance Committee earlier this year include environmental and construction streamlining and using the Design-Build process to accelerate transportation projects and implement administrative cost reductions. These improvements increase efficiency and strengthen departmental operations. We will continue and accelerate these efforts as appropriate.

However, to continue the level of services that NCDOT provides and that citizens expect from the department, it is crucial that the Office of the DMV Commissioner remain in place. DMV has personal contact with North Carolina's citizens more than 10 million times per year and generates \$957 million in revenue each year. The Commissioner's Office provides policy, management and administration to 1,844 employees. Eliminating this office would have a detrimental effect on DMV's operations and ultimately on the citizens of North Carolina.

I am proposing a reorganization to streamline many DMV operations into the Department of Transportation. This proposal reduces positions and costs while at the same time more closely aligns DMV management with the department's strategic goals. Attached is a draft plan that outlines my recommendations. These changes will save over \$4 million over the next two years.

The Governor's Highway Safety Program (GHSP) has also been proposed for elimination. Elimination could jeopardize more than \$13 million in federal grants that contribute enormously to highway safety in North Carolina. As in the DMV, we believe that cost savings can be achieved in GHSP but a core program delivery and administrative structure must be maintained. By streamlining and better integrating GHSP functions with DOT, we believe we can save \$200,000 in state funds over the next two years. Additionally, we expect to fund \$8 million in safety projects

throughout the state which previously were funded solely by state highway funds. This will enable us to clear the backlog of many signal and other intersection projects over the next two years.

I am also studying measures to offset operational costs and increase revenue for the State. These include:

- Increase the driver license fee from \$10 to \$15 -- generating \$3.1 million annually;
- Increase vehicle registration fees from \$20 to \$23 -- generating \$13.5 million annually;
- Increase ferry tolls on Cedar Island to Ocracoke and Swan Quarter to Ocracoke from \$10 to \$15, Southport to Fort Fisher from \$3 to \$5 and implement a toll of \$5 from Hatteras to Ocracoke -- generating \$2.1 million annually.

We are working to make operations as efficient as possible. We will continue to streamline and reduce costs. I look forward to working with the General Assembly to develop a plan that better serves the citizens of this great state.

Sincerely,



Lyndo Tippett

cc: The Honorable James B. Black

Attachment

Re-organization of DMV Commissioner's Office

Realizing that there is a need for oversight, planning, and daily management as well as certain administrative duties for the Division of Motor Vehicles, this proposal is prepared to reduce the size of the staff and eliminate functions that are duplicated within the Department of Transportation. The DMV Commissioner's Office currently has three (3) main functions:

- Administration – 14 Positions
 - Office of Personnel – 8 Positions
 - Office of Citizen Affairs – 9 Positions
- 31 Total Positions

The proposal accomplishes the following:

- Administration (Commissioner's Office) – 14 FTE's
 - * Reduces staff from 14 to 8
 - * Abolishes 4 positions (3 vacant)
 - * Relocates 2 necessary positions within DMV
- Office of Personnel – 8 FTE's
 - * Eliminates Office
 - * Abolishes 4 positions
 - * Relocates 4 positions into DMV Units to perform essential personnel duties
- Office of Citizen Affairs – 9 FTE's
 - * Eliminates office
 - * Abolishes 4 positions (3 vacant positions)
 - * Relocates 5 positions to DMV Units to perform essential duties (i.e., information desk)

Overall Accomplishments:

- * Maintain staff of 8 at DMV
- * Move 11 essential positions into DMV operations
- * Abolish 12 positions (6 vacant)
- * Approximate savings of \$523,000 in personnel salary and fringe costs

Attachment
Non-Law Enforcement Positions To Be Abolished

<u>Position #</u>	<u>Position Title</u>	<u>Salary</u>
<u>Commissioner's Office</u>		
00036	Safety Development Coordinator	\$ 45,831 vacant
00038	Information Communication Specialist	\$ 33,710 vacant
00040	Safety Officer II	\$ 38,000
00028	Processing Assistant IV	\$ 21,156 vacant
00002	Personnel Analyst II	\$ 53,809
01035	Personnel Assistant V	\$ 25,300
01021	Personnel Tech. I	\$ 25,859
01020	Personnel Tech. I	\$ 33,781
00045	Administrative Officer III	\$ 53,564
00055	Administrative Officer I	\$ 42,859 vacant
00056	Administrative Secretary I	\$ 20,939 vacant
00052	Information Processing Tech.	\$ 29,421 vacant
		<u>\$ 424,229</u>
<u>Vehicle Registration</u>		
01925	Data Entry Supervisor II	\$ 21,626 vacant
01963	Data Entry Specialist	\$ 21,813 vacant
13859	Data Entry Specialist	\$ 21,115 vacant
13861	Data Entry Specialist	\$ 19,401 vacant
60205	Processing Assistant IV	\$ 19,951 vacant
60230	Accounting Clerk IV	\$ 30,214 vacant
09102	Office Assistant III	\$ 21,902 vacant
10913	Processing Assistant III	\$ 21,196 vacant
12304	Processing Assistant III	\$ 21,390 vacant
		<u>\$ 198,608</u>
<u>School Bus & Traffic Safety</u>		
08153	Driver Education Prog. Specialist	\$ 49,174 vacant
<u>Traffic Records</u>		
08464	Information Systems Lia. I	\$ 39,090 vacant
08513	Accounting Clerk IV	\$ 22,123 vacant
		<u>\$ 61,213</u>
<u>Enforcement (Non-Law Enforcement)</u>		
70038	Lead Worker IV	\$ 23,247 vacant
70166	Processing Asst. III	\$ 23,601 vacant
70167	Processing Asst. III	\$ 19,460 vacant
70302	Processing Asst. III	\$ 19,200 vacant
70303	Processing Asst. III	\$ 19,556 vacant
74977	Data Entry Operator II	\$ 19,935 vacant
70189	Processing Asst. III	\$ 27,801 vacant
		<u>\$ 152,800</u>
Total Salary Savings of Non-Law Enforcement Positions Abolished		\$ 886,024
Savings from Fringe Benefits		
	Social Security	\$ 67,781
	Non-Law Enforcement Retirement	\$ 70,971
	Hospitalization	\$ 69,936
	Payroll Additive Rate	\$ 12,704
Total Non-Law Enforcement Fringe Savings		<u>\$ 221,391</u>
Total Salary and Fringe Savings of Non-Law Enforcement Abolished Positions		<u>\$ 1,107,415</u>

Law Enforcement Positions To Be Abolished

<u>Position #</u> <u>Enforcement</u>	<u>Position Title</u>	<u>Salary</u>	
74904	Vehicle Enforcement Off I	\$ 29,224	vacant
74118	Vehicle Enforcement Off I	\$ 25,555	vacant
74133	Vehicle Enforcement Off I	\$ 25,555	vacant
74915	Vehicle Enforcement Off I	\$ 36,621	vacant
71911	Vehicle Enforcement Off I	\$ 33,870	vacant
73132	Vehicle Enforcement Off I	\$ 29,224	vacant
73958	Vehicle Enforcement Off I	\$ 30,964	vacant
73959	Vehicle Enforcement Off I	\$ 32,505	vacant
74948	Vehicle Enforcement Off I	\$ 27,431	vacant
74947	Vehicle Enforcement Off I	\$ 28,443	vacant
74948	Vehicle Enforcement Off I	\$ 26,530	vacant
72223	Vehicle Enforcement Off I	\$ 27,555	vacant
72132	Vehicle Enforcement Off I	\$ 26,399	vacant
72134	Vehicle Enforcement Off I	\$ 26,399	vacant
72135	Vehicle Enforcement Off I	\$ 37,427	vacant
74040	Vehicle Enforcement Off I	\$ 30,483	vacant
74938	Vehicle Enforcement Off I	\$ 27,431	vacant
71909	Vehicle Enforcement Off I	\$ 37,427	vacant
72240	Vehicle Enforcement Off I	\$ 37,289	vacant
73038	Vehicle Enforcement Off I	\$ 37,289	vacant
73043	Vehicle Enforcement Off I	\$ 37,427	vacant
73940	Vehicle Enforcement Off I	\$ 37,427	vacant
73914	Vehicle Enforcement Off I	\$ 37,289	vacant
		<u>\$ 725,764</u>	
Total Salary Savings of Law Enforcement Abolished Positions			\$ 725,764
Savings from Fringe Benefits			
	Social Security	\$ 55,521	
	Law Enforcement Retirement	\$ 94,422	
	Hospitalization	\$ 51,888	
	Payroll Additive Rate	\$ 10,406	
Total Law Enforcement Fringe Savings			<u>\$ 212,237</u>
Total Salary and Fringe Savings of Law Enforcement Abolished Positions			<u>\$ 938,001</u>
Grand Total Annual Savings (Abolishing 54 Division of Motor Vehicle Positions)			<u><u>\$ 2,045,416</u></u>

June 6, 2001

State Funding for the Global TransPark

	Highway Fund	General Fund	Total
1991-92	\$ 2,610,000		\$ 2,610,000
1992-93	\$ 6,455,250		\$ 6,455,250
1993-94	\$ 750,000		\$ 750,000
1994-95	\$ 3,620,000		\$ 3,620,000
1995-96	\$ 750,000		\$ 750,000
1996-97	\$ 750,000	\$ 3,277,000	\$ 4,027,000
1997-98	\$ 750,000		\$ 750,000
1998-99	\$ 769,566	\$ 7,325,000	\$ 8,094,566
1999-00	\$ 1,100,512	\$ 8,825,000	\$ 9,925,512
2000-01	\$ 1,164,517	\$ 3,842,717	\$ 5,007,234
Total	\$18,719,845	\$23,269,717	\$41,989,562

In addition, federal funding for the Global TransPark has totaled about \$28 million.

NC GLOBAL TRANSPARK AUTHORITY
PERSONNEL LISTING
AS OF FEBRUARY 1, 2001

POSITION	NAME	ANNUAL SALARY
Accounting Technician		\$26,000
Accounting Technician		\$27,435
Administrative Assistant		\$29,780
Administrative Assistant (Vacant)		
Administrative Assistant II		\$33,073
Administrative Officer		\$33,744
Airport Maintenance -Operations Supervisor		\$28,894
Airport Maintenance-Operations Technician		\$22,226
Airport Maintenance-Operations Technician		\$20,407
Airport Maintenance-Operations Technician		\$18,843
Airport Maintenance-Operations Technician		\$24,557
Chief Financial Officer	Darlene Waddell	\$66,000
Communications Specialist		\$26,000
Controller		\$45,000
Coordinator, Technology & Planning and Associate Director, Education & Training Center	David Edwards	\$48,000
Custodian		\$19,644
Custodian		\$20,653
Director of Airport Operations	Don Howard	\$50,016
Director of Aviation	Ian Redhead	\$68,000
Director of Development	Ron Baker	\$85,000
Engineering Programs Manager	Van Noah	\$77,066
ETC Facility Technician		\$25,508
Government Programs Manager	Lenwood Long	\$78,880
Marketing Specialist (Vacant)		
President & Executive Director	Paul Busick	\$140,000
Secretary		\$26,050
Secretary		\$22,029
Secretary		\$22,029
Secretary		\$22,029
Technical Systems Specialist		\$41,380
Vice President for Communidations	Jim Sughrue	\$78,880

The North Carolina Global TransPark is being developed as a multi-modal transportation and industrial complex. It's purposed is to create jobs and enhance economic opportunity. The project is under construction and on schedule. The GTP's major developmental highlights include:

- **Business Development** – Eight businesses and industries have located at the GTP since the Kinston Regional Jetport was selected as the site for the project, and each of those firms has enjoyed success. At least three of them have expanded since coming to the GTP, and two previously existing plants have either expanded or announced plans to expand. Additional prospective tenants are currently considering locating at the GTP. To date, new companies at the Global TransPark are responsible for approximately 650 jobs. The GTP also hosts the annual Carolina Farm Show, a major exposition and field demonstration event that attracts agribusiness providers to the site and provides farm operators with a chance to learn about the latest equipment and practices.
- **Education and Training Center** – The GTP's Education and Training Center opened in May 2000 and has since served more than 11,000 people. The building offers two distinct types of training areas. In one section, two high-ceiling bays can be used when industries need to train workers on the machines or equipment they will be working on. The second function of the ETC is to provide training in high-tech skills, particularly those needed for manufacturing and distribution businesses that want to make the most of the kind of advanced logistical practices that the GTP will support. The ETC is on the North Carolina Information Highway, and it features the state-of-the art telecommunications equipment demanded by industry for distance learning and data transmission.
- **Airfield Construction** – Construction is nearing completion on the extension of the airport's runway to 11,500 feet. At that length, it will be the longest non-military runway in the state and will be capable of handling the world's largest aircraft. Other airfield improvements are underway, too.
- **Cargo Facility** – The first new cargo building at the GTP will be completed this year. The 50,000 square foot facility will support multiple tenants and provide the GTP with its first cargo major handling capability. The building's airfield access will be via a new hardstand and taxiway that has just been completed. Ground access will allow trucks to pick up and deliver cargo.

HOUSE PAGES:

Name:

Drexel King

Town:

Wake Co.

Sponsor:

Rep. Dan Blue

Name:

Roslyn Banks

Town:

Columbus Co.

Sponsor:

Rep. Dewey Hill

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

6/12/01 9:00 a.m.

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Sharon Matthews	DOT/Dmv
Hope Mozaja	DOT/Dmv
Lyndo Tippet	DOT
Carm Howard	DOT/Dmv
Bill CARSTADPHEN	CHARLOTTE AREA TRANSIT SYSTEM
Jim Ramgund	NCPTA
Ron Tober	Charlotte Area Transit System
DAVID Ailsbrook	DOT
STEVE VARNEDOG	NC DOT
DAN DEVANE	NC DOT
VLM B ride	NCPTA
Milton Afford	OSBM
PAUL BUSICK	NC GTPA
Bill Brown	CCPS
Jon Williams	CCPS
Ruth Salsbie	NC DOT
Samford Crow	NC DOT
Michael Benton	NC DOT
Don Nail	NC DOT - GHSP
Mark Brody	CCNC
Bernard Halls	NC Sierra Club
Richard Hamed	DOC
DAVID KING	NC DOT
Beau Mills	NC Metro Coalition
Christa Barber	PAPA

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)

Sent: Tuesday, June 12, 2001 1:24 PM

Subject: Approp/Trans Meeting Notice

REVISION #2 ROOM NUMBER CHANGE

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Tuesday, June 12, 2001

TIME: 2:00 pm

LOCATION: 421

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **1:30 am** on **June 12, 2001**.

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

June 12, 2001

2:00 p.m.

Room 421 LOB

The House Appropriations Subcommittee on Transportation met on June 12, 2001 at 2:00 p.m. in room 421 of the Legislative Office Building. Representative Jim Crawford chaired the meeting. A visitor registration sheet is attached and made part of these minutes. The following members were present:

Rep. Jim Crawford
Rep. Nelson Cole
Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Lorene Coates
Rep. Don Davis

Rep. Jerry Dockham
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

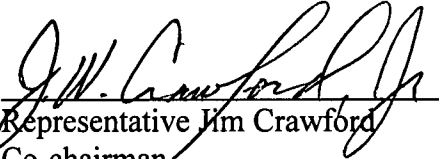
Representative Crawford opened the meeting and acknowledged the pages. He turned the meeting over to Bob Weiss, staff, who went over the recommendations for the 2001-2003 Budget-Highway Fund, handout #1. On the first page under Availability, line items 3, 11, 15, 17, 18, and 19 are the changes that were recommended that he called the member's attention to. The changes on the second page under the Expansion items were line items 2, 3, 5, 6, 9, 10, 14, 15, 20, 21, and 32. He then begin going over the changes that the House chairs have proposed for the Transportation Special Provisions beginning on page three. Only items 27.3 through 27.19 were talked about as it was decided the items needed to be presented with the House proposals being compared to the Senate proposed provisions. These will be presented in that manner at the next meeting on Wednesday a.m.

Admiral Paul Busick, President and Executive Director of Global TransPark Authority, was then introduced and he talked about the transfer of the Global TransPark airport fixed assets and operations from the GTP Authority to another appropriate entity. The Aviation Division shall report the results of this study to the Joint Legislative Transportation Oversight Committee by December 15, 2001. He also talked about the State Board of Community Colleges to study the transfer of the Education and Training Center from the GTA Authority to an appropriate public educational entity. The results of this study shall be reported also to the Joint Legislative Transportation Oversight Committee by December 15, 2001. Discussion followed both of these items.

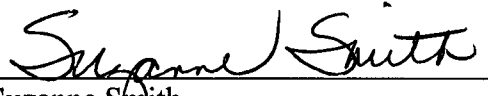
Appropriations Subcommittee on Transportation
June 12, 2001, 2:00 p.m.
Page 2

The committee will meet again on Wednesday, June 13, 2001 at 8:30 a.m. to continue the House budget proposals. The chair adjourned the meeting at 9:50 a.m.

Respectfully submitted:



Representative Jim Crawford
Co-chairman



Suzanne Smith
House Legislative Committee Assistant

2001-2003 Budget - Highway Fund

	Governor's Recommendations			Draft Subcommittee Recommendations		
	2001-2002		2002-2003	Senate		House
	2001-2002	2002-2003	2001-2002	2002-2003	2001-02	2002-2003
Availability						
1 Revenue	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000
2 Surplus from Prior Year	14,860,000 NR		14,860,000 NR		14,860,000 NR	
3 Reversions from Previous Years			1,000,000 NR		520,000 NR	
4 Funds Available	1,318,140,000	1,311,720,000	1,319,140,000	1,311,720,000	1,318,660,000	1,311,720,000
5 Recommended Continuation Budget	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525
6						
7 Net Funds Available	113,662,497	99,999,475	114,662,497	99,999,475	114,182,497	99,999,475
8						
9						
10 Budget Reductions						
11 Retirement Rate Adjustment	(9,155,000)	(9,155,000)	(12,853,620)	(12,853,620)	(9,155,000)	(9,155,000)
12 Transfer to Highway Trust Fund	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)
13 Reduce Highway Patrol Inflationary Increases for Gasoline			(1,278,340)	(1,076,279)	(1,278,340)	(1,076,279)
14 Reduce Highway Patrol Inflationary Increases for Cars			(710,875)	(1,701,282)	(710,875)	(1,701,282)
15 Eliminate Highway Patrol Communications Equipment Upgrade			(875,000)	(875,000)		
16 Reduce Driver Education Funding			(1,966,232)	(1,966,232)	(1,966,232)	(1,966,232)
17 Global Transpark Authority Administration			(605,549)	(640,882)	(605,549)	(1,259,542)
18 Eliminate DMV Commissioners Office			(1,777,828)	(2,365,937)	(1,777,828)	(2,370,437)
19 Eliminate Governor's Highway Safety Program			(357,277)	(357,277)	(357,277)	(357,277)
20						
21						
22						
23						
24 Total Adjustments and Reductions	(47,155,000)	(47,155,000)	(58,424,721)	(59,836,509)	(53,851,101)	(55,886,049)
25						
26 Total Funds Available for Expansion	160,817,497	147,154,475	173,087,218	159,835,984	168,033,598	155,885,524
27 Total Nonrecurring Funds Available	14,860,000 NR		15,860,000 NR		15,380,000 NR	
28 Total Recurring Funds Available	145,957,497	147,154,475	157,227,218	159,835,984	152,653,598	155,885,524

Handout #1
6/12 2:00pm

6/12/03

2001-2003 Budget - Highway Fund

Governor's Recommendations

Draft Subcommittee Recommendations

Expansion Items	Governor's Recommendations			Draft Subcommittee Recommendations		
	2001-2002	2002-2003	2001-2002	Senate 2002-2003	2001-02	House 2002-2003
1 Restore Maintenance Funds to FY 2001 Levels	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000
2 Increase Maintenance Funding	17,640,445	17,640,445	22,894,341	22,894,341	19,140,445	17,640,445
3 Increase Maintenance Funding (NR)	7,022,971 NR	NR	7,022,971 NR	NR	8,522,971 NR	NR
4 Restore Contract Resurfacing Funds to FY 2001 Levels	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
5 Increase Contract Resurfacing Funds	10,000,000	10,000,000	17,000,000	17,000,000	18,240,654	17,000,000
6 Increase Contract Resurfacing Funds (NR)	15,621,993	15,621,993	15,621,993	15,621,993	15,621,993	15,621,993
7 Restore Public Transportation Funds to FY 2001 Levels	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
8 Replace Federal Funds for Public Transportation	4,000,000 NR	4,000,000 NR	13,713,913	13,713,913	11,887,535	11,887,535
9 Increase Public Transportation Funding	3,525,000 NR	3,525,000 NR	1,000,000 NR	NR	520,000 NR	2,000,000
10 Provide Funds for Western NC Rail Service	9,407,088 NR	9,407,088 NR	2,000,000	2,000,000	2,000,000	2,000,000
11 Restore Rail Funds to FY 2001 Levels	15,000,000 NR	15,000,000 NR	5,000,000 NR	NR	5,000,000 NR	NR
12 Restore Rail Funds to FY 2001 Levels (NR)	10,000,000 NR	15,000,000 NR	15,000,000 NR	NR	15,000,000 NR	NR
13 Acquire Right of Way for Charlotte Station	10,000,000 NR	1,634,000 NR	1,634,000 NR	NR	2,000,000 NR	NR
14 Repair and Renovation	5,000,000 NR	5,000,000 NR	5,000,000 NR	NR	3,000,000 NR	NR
15 Replace General Fund Support for Airport Grants	7,000,000	5,773,100 NR	7,000,000	9,000,000	7,000,000	9,000,000
16 Commercial Vehicle Information Systems for DMV	8,600,000	480,000 NR	7,200,000	7,200,000	8,600,000	8,600,000
17 Vehicle Registration Customer ID		106,849				
18 Increase Staffing for School Bus and Traffic Safety			5,000,000 NR	NR	2,000,000 NR	NR
19 State Health Plan						
20 2% Salary Increase for Highway Fund Employees						
21 Small Urban and Rural Highway Construction						
22						
23 Total Expansion	160,817,497	147,154,475	173,087,218	135,430,247	168,033,598	129,749,973
24 Nonrecurring Expansion	53,955,059 NR	38,185,188 NR	39,656,971 NR	NR	37,542,971 NR	NR
25 Recurring Expansion	106,862,438	108,969,287	133,430,247	135,430,247	130,490,627	129,749,973
26						
27 Surplus (Deficit)				24,405,737		26,135,551
30						
31						
32 Global TransPark Airport Grants	(5,000,000)		(1,062,717)	(1,093,102)	307,805	(3,897,152)
			(5,000,000)	(5,000,000)	(5,000,000)	

2001-2003 DOT Budget - General Fund

June 12, 2001

Transportation Special Provision Summaries

27.3 Small Urban and Contingency Funds

Allocates \$14 million in each fiscal year for small urban construction projects and \$15 million (first year, \$10 million in second year) for rural or small urban highway improvements and related transportation enhancements. Also specifies that these funds are not subject to G.S. 136-44.7.

Senate version. House had \$10 million for the first year.

27.5 Western North Carolina Amtrak Thruway Bus Service Operations and Station Right-of-Way Acquisition Funds

Specifies uses of Western N.C. rail funds: \$200,000 for Amtrak bus service; \$320,000 for right-of-way acquisitions for rail stations; and \$480,000 for other purposes. Requires report to Transportation Oversight. Reverts \$1,000,000 from FY 1998-99.

Senate version. Earlier version did not have \$480,000 for other purposes and reverted \$520,000.

27.7 Charlotte Downtown Intermodal Station

Requires DOT to report to Transportation Oversight on the status of the development of the project, including cost and schedule, who will be contributing to the cost of the project, and other significant information such as location, capacity, etc.

Senate version. Earlier version required identification of alternate parcels of land.

27.15 Appropriation of the Department of Transportation to Fund Aviation Grants

Appropriates from the General Fund \$7,250,000 for FY 2001-02 to fund aviation grants.

Senate and House (?)

27.16 Change Statutory References to "Commissioner of Motor Vehicles"

Changed to "Secretary of Transportation or his designee" in Chapter 20 and other statutes.

New in Senate. Companion to eliminating DMV Commissioner's Office.

27.17 DOT Regulation of the Transit of Modular Homes

Clarifies that transport of modular homes is not covered by the section of the General Statutes covering Professional Housemoving. Authorizes the Secretary of Transportation to adopt temporary rules concerning the movement of modular homes.

New in Senate

27.18 Asphalt Paving Recycling

DOT shall recycle, where feasible, pavement surfaces as part of its resurfacing programs.

New in Senate

27.19 Aviation Division Study the Transfer of the Global TransPark Airport

Requires the Division to study the transfer of the GTP's airport assets and operations to another entity. Requires report to Transportation Oversight by December 15, 2001.

27.20 State Board of Community Colleges to Study Transfer of Global TransPark Education and Training Center

Requires the Board to study the transfer of the Center to an appropriate public educational entity and report to Transportation Oversight by December 15, 2001.

The Senate did not eliminate the GTP Authority by December 31, 2001, as the House and Senate had agreed earlier, but cut its funding and added these two provisions to study the divestiture of its key assets, the Education and Training Center and the Airport.

House Provision Eliminated in Senate Budget

Repeal North Carolina Highway Use Tax Transfer Over Five Years

Phased out the \$170 million transfer over five years beginning in FY2002-03.

27.1 Repeal Bond Retirement Transfer from Highway Fund to Highway Trust Fund

Recommended by the Governor. Repeals a \$38 million annual transfer from the Highway Fund to the Highway Trust Fund. This transfer was established as a funding source for the Highway Trust Fund and is related

to the retirement of debt service on Highway Fund bonds. For the last three fiscal years this transfer has been halted by budget provisions.

Senate and House

27.2 Design-Build Transportation Construction Contracts Authorized

Repeats a special provision from the last three fiscal years, allowing DOT to award three contracts annually on a design-build basis. Without this law, bids for construction projects can only be solicited after the designs for the projects have been completed. This provision allows DOT to award a project before the beginning of the design phase to a firm that would both design and construct the project. Requires reports to Transportation Oversight three times per year.

Senate and House

27.4 Cash-Flow Highway Fund and Highway Trust Fund Appropriations

Updates boilerplate special provision from 2000 to reflect revised revenue forecasts. This language allows DOT to anticipate revenue in future years for the purpose of budgeting multiyear road construction projects.

Senate and House

27.6 Highway Trust Fund Study Committee

Establishes study committee of fourteen members to report to Transportation Oversight on aspects of the Highway Trust Fund, including status, cost estimates, problems, revenues, etc.

Senate and House

27.8 Division 3 Headquarters Complex Funds

Rescinds the provision in S.L. 1999-237 that the Highway Fund reimburse Highway Trust Fund for the capital costs required to relocate the Division 3 headquarters.

Senate and House

~~**27.9 Department of Transportation Authorized to Accept Electronic Bids**~~

This is supported by the Associated General Contractors. It is intended to reduce staff time and resources (paper, storage, copying, etc).

Senate and House

27.10 Department of Transportation Authorized to Establish an Escort Driver Certification Program

This was part of the safety package approved by the Board of Transportation when they authorized the movement of 16-ft. wide mobile homes in the Piedmont and eastern North Carolina. It was supported by various safety advocacy groups, including AAA. A recent ruling of the Rules Review Commission said DOT did not have statutory authority to establish this program.

Senate and House

27.11 Transfer Responsibilities of Governor's Highway Safety Program to the Office of the Secretary of Transportation

Effective July 1, 2001.

Senate and House

27.12 Some State Aircraft Operations Consolidated

Merges the aircraft operations of the Area Health Education Centers and the Department of Commerce into the aircraft operations of the Department of Transportation. Requires a report to Gov. Ops and Transportation Oversight by October 1, 2001 on the results of the consolidation.

Senate and House

27.13 State Highway Patrol/Division of Motor Vehicles Enforcement Consolidation Study.

Secretary of Transportation to study the possibility of increased efficiencies through consolidation and integration and report to Transportation Oversight and Appropriations Chairs by December 1, 2001.

Senate and House

27.14 Drivers License/Motor Vehicle Registration Section Consolidation Study

DOT to study the merger of these functions and report to Transportation Oversight by March 1, 2002.

Senate and House

June 12, 2001

**Summary of Senate/House Differences
Highway Fund**

Compared to the House, the Senate has:

Availability Total approximately \$5 million more

\$480,000 **more** reversions from unspent Western NC Rail funds

\$3.7 million **more** by reducing Retirement Rate

\$875,000 **more** from eliminating SHP communications upgrade (should have been expansion, not continuation).

Expansion Total approximately \$5 million more

\$480,000 **more** for Western NC Rail

\$3.7 million **more** for maintenance (recurring)
but

\$1.5 million **less** for maintenance (non-recurring)

\$1.2 million **less** for contract resurfacing (recurring)
and

\$1.5 million **less** for contract surfacing (non-recurring)

\$1.8 million **more** for public transportation

\$370,000 **less** for repairs and renovations (buildings)

\$2 million **more** for airport grants (replacing General Fund money).

\$1.4 million **less** for salary increases

\$3 million **more** for urban/rural highway contingency funding

General Fund

Global TransPark Senate has cut of \$1 million in first year and \$1.1 million in second year. House had increase of \$300,000 (to finish the runway) in first year and then closed program (decrease of \$3.9 million in second year). Also see special provisions.

Transportation

GENERAL FUND

	FY 2001-02	FY 2002-03
Recommended Budget	\$17,753,426	\$14,486,443

Legislative Changes

Aeronautics and Global Transpark

(1200) Airport Grants

1 Reduce General Fund Support

Reduces General Fund Airport Grant Program by \$5 million, to be offset by increase in funding from Highway Fund, as recommended by Governor. (\$5,000,000) NR

Global Transpark

2 Global Transpark Operating Reduction

	2001-2002	2002-2003		
GTP Administration	\$424,451	\$433,651		
State Match/Runway	(\$1,116,742)	(\$1,094,350)		
Airport Operations	(\$124,795)	(\$157,987)		
Education and Training Center Operations	(\$115,247)	(\$134,807)		
Marketing	(\$54,749)	(\$56,939)		
Land Use Planning	(\$75,635)	(\$82,660)		
			<i>H</i>	
			307,805	(3,897,152)

Total Legislative Changes

(\$1,062,717) R
(\$5,000,000) NR

Total Position Changes

Revised Budget

\$11,690,709 \$13,393,341

Transportation

HIGHWAY FUND

	FY 2001-02	FY 2002-03
Recommended Budget	\$1,204,477,503	\$1,211,720,525

Legislative Changes

Construction and Maintenance

(5180) Construction - Contingency

3 Small Urban and Rural Projects

Provides additional funding for small urban and rural highway construction.

H 2,000,000

\$5,000,000 NR

(5240) Maintenance - Contract Resurfacing

4 Restore Contract Resurfacing Funds

Restores funding to FY 2001 levels. FY 2001 budget contained \$7,000,000 in nonrecurring funding.

\$7,000,000 R \$7,000,000 R

5 Increase Contract Resurfacing Funds

Increases contract resurfacing funding over funding from previous years.

H 18,240,654 R

\$17,000,000 R \$17,000,000 R

H 1,500,000 NR

(5400) Capital Improvements

6 Repair and Renovation

Provides funds for repair and renovation of the Department's facilities.

\$1,634,000 NR

H 2,000,000

(5940) Rail Program

7 Partially Restore Rail Funding

Partially restores funding to FY 2001 levels. FY 2001 budget contained \$12,932,088 in nonrecurring funding.

\$2,000,000 R \$2,000,000 R

\$6,000,000 NR

H 5,520,000 NR

	2001-2002	2002-2003
Western NC Service (NR)	\$1,000,000	
Raleigh-Charlotte	\$2,000,000	\$2,000,000
Raleigh-Charlotte (NR)	\$5,000,000	

8 Charlotte Station

Funds remaining land acquisition for new multi-modal station in Charlotte.

\$15,000,000 NR

(5950) Airport Program

9 Airport Grants

Replaces General Fund support for airport grants with Highway Fund appropriation.

\$5,000,000 NR

H 3,000,000

Senate Subcommittee on Transportation

FY 2001-02

FY 2002-03

(5970) Public Transportation Program

10 Restore Public Transportation Funding

\$15,621,993 R \$15,621,993 R

Restores funding to FY 2001 levels. FY 2001 budget contained \$15,621,993 in nonrecurring funding.

	2001-2002	2002-2003
Rural Capital	\$1,150,000	\$1,150,000
Rural Operating	\$2,650,000	\$2,650,000
Elderly & Disabled	\$900,000	\$900,000
Urban & Regional Maint.	\$1,921,993	\$1,921,993
New Starts	\$9,000,000	\$9,000,000

11 Replace Federal Funds

\$10,000,000 R \$10,000,000 R

Replaces federal funds with State Highway Fund money. \$10,000,000 of federal Congestion, Mitigation and Air Quality Funding that is being replaced will be redirected to the Transportation Improvement Program (TIP).

	2001-2002	2002-2003
Rural Operating	\$600,000	\$600,000
Human Service	\$400,000	\$400,000
New Starts	\$8,000,000	\$8,000,000
Urban & Reg. Tech.	\$1,000,000	\$1,000,000

12 Increase Public Transportation Funding

\$13,713,913 R \$13,713,913 R

Increases public transportation funding over funding from previous years.

H 11,887,535 H 11,887,535

	2001-2002	2002-2003
Rural Capital	\$1,400,000	\$1,400,000
Rural Operating	\$1,400,000	\$1,400,000
Elderly & Disabled	\$500,000	\$500,000
Urban & Regional Maint.	\$4,007,259	\$4,007,259
New Starts	\$6,406,654	\$6,406,654

Governor's Highway Safety Program

(0410) Governor's Highway Safety

13 Transfer Program

(\$357,277) R (\$357,277) R

Transfers program to DOT Secretary's Office. Eliminates 12 positions currently funded under Governor's Highway Safety Program.

-12.00 -12.00

Division of Motor Vehicles

(0510) Commissioner's Office

14 Transfer Responsibilities and Eliminate Office

(\$1,777,828) R (\$2,365,937) R

Consolidates program within DOT and eliminates 31 positions.

-31.00 -31.00

Reserves

(6270) Crime Control and Public Safety

15 Adjust Equipment Budget

Eliminates funds for upgrade of communications consoles and bay station equipment. Highway Patrol would be permitted to fund this equipment from other sources.

not in House Budget
(\$875,000) R (\$875,000) R

16 Adjustment for Vehicle Inflationary Factors

Would reduce continuation budget increases in the new vehicle line item consistent with cost increases in previous years.

(\$710,875) R (\$1,701,282) R

17 Adjustment for Gasoline Inflationary Factors

Would reduce continuation budget increases in the gasoline line item consistent with Office of State Budget and Management guidelines.

(\$1,278,340) R (\$1,076,279) R

18 Transfer State Highway Patrol

With the elimination of the Department of Crime Control and Public Safety, the Division of State Highway Patrol will be transferred to the Department of Transportation. This transfer will be complete by June 30, 2002. As the State Highway Patrol budget is already funded by the Highway Fund, no additional funding is needed to implement this transfer.

not in House budget

\$0 R \$0 R

1860.00

(6310) Department of Public Instruction

19 Adjustment to Driver Education

Reduces funding due to fewer projected students and underspending in previous years.

(\$1,966,232) R (\$1,966,232) R

(6360) Global TransPark Authority

20 GTP Administration

Adjust budget

(\$605,549) R *H (1,259,542)*
(\$640,882) R

(6370) Transfer to Highway Trust Fund

21 Discontinue Transfer to Highway Trust Fund

Ends transfer to Highway Trust Fund of money required by statute. These funds were originally made available from the retirement of Highway Fund bonds. As these bonds were paid off, money equal to the debt service on the bonds was paid to the Highway Trust Fund.

(\$38,000,000) R (\$38,000,000) R

(6611) Retirement Rate Adjustment

22 Retirement Rate Adjustment

Reduces the State contribution rate from 5.33% to 1.82% of payroll for members of the Teachers' and State Employees' Retirement System.

H (9,155,000)
(\$12,853,620) R *(9,155,000)*
(\$12,853,620) R

Senate Subcommittee on Transportation

FY 2001-02

FY 2002-03

(6801) Compensation Increase

H 8,600,500
\$7,200,000

R

H 8,600,000
\$7,200,000

R

23 State Funded Compensation Increase

Provides funding for a permanent \$625 annual salary increase to State employees whose salaries and wages are supported out of the Highway Fund.

(6828) Reserve for Maintenance

24 Restore Maintenance Expenditures

\$31,000,000

R

\$31,000,000

R

Restores funding to FY 2001 levels. FY 2001 budget contained \$31,000,000 in nonrecurring funding.

H 19,140,445 *R*

H 17,640,445

25 Increase Maintenance Expenditures

\$22,894,341

R

\$22,894,341

R

Increases maintenance funding over funding from previous years.

\$7,022,971

NR

H 8,522,971 *NR*

(6836) State Employee Reserve

26 State Employee Health Benefit Plan

\$7,000,000

R

\$9,000,000

R

Provides a 30% premium increase to the Plan for Teachers, State Employees, and Retired Employees effective October 1, 2001. The remaining financial support to keep the plan solvent through the 2001-03 biennium will come from increased premiums paid by employees for their families, cuts in payments to hospitals and physicians, and a reduction in the Plan's benefits.

Total Legislative Changes

H 76,639,520 *R*

\$75,005,526

R

\$75,593,738

R

H 37,542,971 *NR*

\$39,656,971

NR

Total Position Changes

-43.00

1817.00

Revised Budget

\$1,319,140,000

\$1,287,314,263

HOUSE PAGES:

Name: Drexel King

Town: Wake County

Sponsor: Rep. Dan Blue

Name: Roslyn Banks

Town: Columbus County

Sponsor: Dewey Hill

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Wednesday, June 13, 2001

TIME: 8:30 am

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **2:00 pm on June 12, 2001.**

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

June 13, 2001
8:30 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Representative Joanne Bowie

Further Discussion of the Budget

State Highway Patrol Budget Issues

Medium Custody Road Crew Compensation
JPS Committee Special Provision 25.11

Special Provision Comparisons

MINUTES
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JUNE 13, 2001

The Appropriations Subcommittee on Transportation met on Wednesday, June 13 2001, in Room 1228/1327 of the Legislative Building at 8:30 a.m. The following members were present: Presiding Chairman Nelson Cole; Representatives Barbee, Blue, Bowie, Coates, Crawford, Davis, Gulley, Hiatt, Saunders and Sutton. Staff to the committee, Evan Rodewald, Ken Levenbrook, Giles Perry and Bob Weiss attended. Representative Cole introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Medium Custody Road Crew Compensation

Chairman Cole introduced Evan Rodewald (reference June 7 handout) to review the Senate provision that was flagged for follow up. Evan asked David Allsbrook, DOT, to provide more detail. He pointed out the problem being that DOC, for various reasons, does not meet the quota of inmates each year to perform DOT work, thereby, DOC does not receive its budgeted amount from DOT. The Senate provision includes \$1.8 million in arrears and provides \$8.5 million per year for DOT to pay DOC. DOT would like to pay an increased hourly rate (around \$6.12) and only for inmate services provided rather than a lump sum. Committee members disagreed with the wording of the provision and discussed it extensively. Representative Crawford moved for a specified rate and redrafting the provision for the committee approval. Evan and Ken Levenbrook pointed out that this is a Justice and Public Safety provision and should be coordinated with that committee, with this committee making a rate recommendation and the final decision that of the full chairs. Representative Crawford changed his motion to remove the rate amount to be negotiated by the chairs. Representative Bowie restated the motion previously made that the provision include "a per hour wage" rather than a flat figure to DOC which reflects the hours and wage paid for prisoners working to be negotiated with Justice and Public Safety chairs. The motion passed. Representative Sutton moved that the \$1.8 million from last year not be paid. That motion passed.

State Highway Patrol Budget Issues

Evan Rodewald referred to a June 6 handout and introduced John Williams to discuss the SHP revised request of \$3.4 million for gasoline costs. The Senate passed a \$1.3 million decrease from the Governor's increase in SHP gasoline. Mr. Williams referenced two handouts. The SHP budget office does not keep a definitive log of gallons used but are recorded in each location as delivered. All members expressed deep concern that these records are not kept. Bill Brown, CCPS budget office, was recognized to explain the recordkeeping procedures. Chairman Crawford told Mr. Williams to find a way to get that information, and the committee will follow up on the procedures to be used. Mr. Brown said that effective July 1 they will put in place procedures to account for gallons

June 13, 2001

and price. Their request of \$3.4 million covers inflation and putting 28 new patrolmen on the road.

This past year they covered their deficit by moving funds from equipment and other sources. Now they need \$875 thousand each year for equipment. The Senate suggested using drug forfeiture funds for equipment; however, those funds are very unstable and decreased dramatically in FY01. Also, federal law prevents supplanting. The SHP would like equipment funds as a recurring item.

Special Provisions

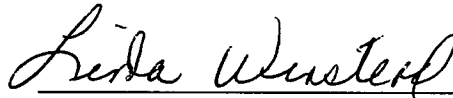
Bob Weiss referenced the handout, Special Provisions Comparison Package, and explained the provisions. The first group was identical to the Senate budget. He explained the differences in the second group of provisions that differ from sections of the Senate budget. He reviewed the section of House provisions not included in the Senate budget. Representative Sutton pointed out that the Page 34 provision on movement of mobile homes should state "wider than 14 feet." The chairs instructed staff to redraft to correct. The next section covered Senate provisions for which there are no House provisions.

Chairman Cole asked the members to study the provisions in preparation for the afternoon meeting at which time a vote will be taken on each provision.

The meeting adjourned at 9:55 a.m.



Representative Nelson Cole, Co-Chair



Linda Winstead, Committee Assistant

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Wednesday, June 13, 2001

TIME: 1:00 pm

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **10:00 am on June 13, 2001.**

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

MINUTES
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JUNE 13, 2001

The Appropriations Subcommittee on Transportation met on Wednesday, June 13, 2001, in Room 1228/1327 of the Legislative Building at 1:00 p.m. The following members were present: Presiding Chairman Jim Crawford; Representatives Barbee, Bowie, Coates, Cole, Davis, Gulley, Hiatt, McAllister, Saunders and Sutton. Staff to the committee, Evan Rodewald, Ken Levenbrook, Giles Perry and Bob Weiss attended. Representative Crawford introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Highway Fund Budget

Chairman Crawford referenced the new handout of the Highway Fund proposed budget comparing the Governor's, Senate, and House chairs recommendations. He explained the reasons for and changes from previous copies. The co-chairs recommended accepting Secretary Tippet's proposal regarding the Senate's proposed elimination of the DMV commissioner's office and the Governor's Highway Safety Program. Representative Bowie moved for approval of the committee's money part of the budget. The motion passed.

Special Provisions (Morning Handout)

Each provision was discussed individually. Recommended changes are as follows:

Highway Trust Fund Study Committee (H12) – Representative Sutton moved to change membership to cover each region according to population and consist of 4 members each of the House and Senate 3 public members on each side and. The motion carried.

SHP/DMV Enforcement Consolidation Study (H21) – This provision hinges on the decision on Crime Control and Public Safety. The committee agreed to pull this item and work on language for bargaining with the Senate.

Restricted Movement of Mobile Homes More than Fourteen Feet Wide During Certain Hours (H24) (new version) – The committee agreed to hold this provision for further consideration.

Change Statutory References to "Commissioner of Motor Vehicles" – Chairman Crawford said this will not be included in the vote on the package.

Asphalt Pavement Recycling – Representative Bowie moved to take this out. The motion carried.

Aviation Division Study the Transfer of the Global Transpark Airport and

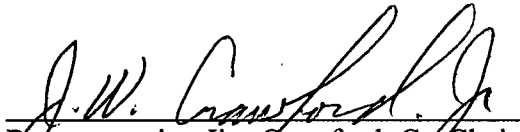
June 13, 2001

State Board of Community Colleges to Study Transfer of Global Transpark Education and Training Center – Representative McAllister made motion to retain both provisions. The motion carried.

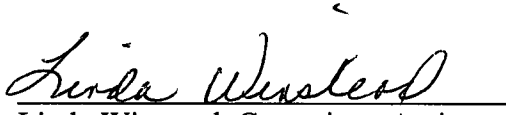
Chairman Crawford said special provisions would be prepared to accelerate DOT cash management, require SHP to report to Transportation Oversight, and to review the specifications for bidding on recapped tires, making it an open process.

Chairman Crawford asked for a vote on the provision package. The vote was in favor of submitting the package to full chairs with the above listed changes.

The meeting adjourned at 2:55 p.m.



Representative Jim Crawford, Co-Chair



Linda Winstead, Committee Assistant

**DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
STATE HIGHWAY PATROL
REVISED ANALYSIS OF BUDGET FOR GASOLINE
FOR FISCAL YEAR 2001-02 AND 2002-03
JUNE 12, 2001**

	<u>FY02</u>	<u>FY03</u>
Certified Budget for FY01	<u>2,230,024</u>	<u>2,230,024</u>
Requested Increase	<u>1,163,727</u>	<u>1,163,727</u>
Total	<u><u>3,393,751</u></u>	<u><u>3,393,751</u></u>

This budget request is based upon an estimate of the number of gallons used annually based upon the estimated usage in FY 2000, plus an increase for the addition of 28 new troopers.

Gallons used annually:

There is no definitive log of gallons purchased in FY 2000. The State Highway Patrol paid \$2,245,122 for gasoline, at prices ranging from \$0.50 to \$0.91 per gallon. The average monthly price paid was \$0.71 per gallon, suggesting annual usage of 3,162,144 gallons. At the current price of \$1.05 per gallon, maintaining current operations will cost \$3,320,251.

On page 37 of the Budget Instructions, under the heading "Procedures", it states "In a situation where the rates are clearly not appropriate and a higher rate can be documented, the higher rate may be submitted for consideration by OSBM". Given the recent volatility of gas prices, the best basis for budgeting appears to be gallons needed by current price, rather than using other means to forecast.

These figures are further confirmed by FY 2001 actual expenditures, which are \$2.9 million through May 31st and are expected to total \$3.3 million by fiscal year-end June 30th.

Additional troopers:

During this fiscal year, we had 28 new positions granted and 28 more patrol vehicles were put into operation. The Highway Patrol states that a patrol car is driven between 30,000 to 40,000 miles per year, based upon assignment. Using an average of 35,000 miles per year and using 14 miles per gallon, the 28 new vehicles will require \$73,500 in gasoline costs.

This figure is further confirmed by the fact that 28 troopers is about a 2.33% increase in field officers, and a 2.33% increase in the estimated current operations fuel cost above would equal an additional \$77,362, close to the vehicle mileage and use estimate above.

During the current fiscal year, our expenditures have been \$1.1 million greater than the amount certified for gasoline. In order to pay for the gasoline, we have had to postpone a large number of purchases until next fiscal year. If adequate funding is not provided for gasoline, and if we are not able to provide the supplies, equipment, training, etc. that are essential and necessary for the daily operations of the Highway Patrol, we will likely see a negative change in the level of service that the Highway Patrol will be able to provide.

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
ANALYSIS OF FEDERAL DRUG FORFEITURE FUNDS
JUNE 06, 2001

	STATE HIGHWAY PATROL		
	FORFEITURE FUNDS	INTEREST	TOTAL
FY96	241,196	25,800	266,996
FY97	349,545	27,265	376,810
FY98	991,868	56,348	1,048,216
FY99	1,145,996	132,437	1,278,433
FY00	1,599,221	167,374	1,766,595
FY01*	87,598	103,745	191,343

*From July 01, 2000 through May 31, 2001

**SPECIAL PROVISIONS
COMPARISON PACKAGE**

**HOUSE APPROPRIATIONS
SUBCOMMITTEE
ON
TRANSPORTATION**

(House Provisions as Suggested by Committee Co-Chairs)

June 13, 2001

**SUGGESTED HOUSE PROVISIONS
THAT ARE IDENTICAL TO
SECTIONS OF SENATE BUDGET**

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H7

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.1 IN SENATE BUDGET

- 1 *REPEAL BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO*
- 2 *HIGHWAY TRUST FUND*
- 3 SECTION #. G.S. 136-176(a)(4) and G.S. 136-183 are repealed.

4

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H8

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.2 IN SENATE BUDGET

1 *DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS*
2 *AUTHORIZED*

3 SECTION #. (a) Chapter 136 of the General Statutes is amended by adding
4 a new section to read:

5 "§ 136-28.11. Design-build construction of transportation projects.

6 Notwithstanding any other provision of law, the Board of Transportation may
7 award up to three contracts annually for construction of transportation projects on a
8 design-build basis. These contracts may be awarded after a determination by the
9 Department of Transportation that delivery of the projects must be expedited and that it
10 is not in the public interest to comply with normal design and construction contracting
11 procedures. Prior to the award of a design-build contract, the Secretary of
12 Transportation shall report to the Joint Legislative Transportation Oversight Committee
13 and to the Joint Legislative Commission on Governmental Operations on the nature and
14 scope of the project and the reasons an award on a design-build basis will best serve the
15 public interest."

16 SECTION #. (b) The Department of Transportation shall report to the Joint
17 Legislative Transportation Oversight Committee on September 1, December 1, and
18 March 1 of each year on the status of all design-build projects.

5

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H10

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.4 IN SENATE BUDGET

1 *CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND*
2 *APPROPRIATIONS.*

3 SECTION #. (a) The General Assembly authorizes and certifies anticipated
4 revenues of the Highway Fund as follows:

5 FY 2003-2004 \$1,334.6 million

6 FY 2004-2005 \$1,369.8 million

7 FY 2005-2006 \$1,406.1 million

8 FY 2006-2007 \$1,445.5 million

9 The General Assembly authorizes and certifies anticipated revenues of the
10 Highway Trust Fund as follows:

11 FY 2003-2004 \$1,127.6 million

12 FY 2004-2005 \$1,176.5 million

13 FY 2005-2006 \$1,226.8 million

14 FY 2006-2007 \$1,278.4 million

15 SECTION #. (b) Section 25 of S.L. 2000-67 is repealed.

6

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H12

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.6 IN SENATE BUDGET

1 **HIGHWAY TRUST FUND STUDY COMMITTEE.**

2 SECTION #. (a) Study Committee established. -- There is established a
3 Highway Trust Fund Study Committee to report to the Joint Legislative Transportation
4 Oversight Committee.

5 (b) Membership. -- The Study Committee shall be composed of fourteen
6 members as follows:

- 7 (1) The Chairs of the Joint Legislative Transportation Oversight
8 Committee.
- 9 (2) Four Representatives and two public members appointed by the
10 Speaker of the House of Representatives.
- 11 (3) Four Senators and two public members appointed by the President Pro
12 Tempore of the Senate.

13 In making their appointments the appointing authorities shall consider the
14 geographical diversity of the State.

15 (c) Duties of the Study Committee. -- The Committee may study all aspects of
16 the Highway Trust Fund. The study shall include the examination of all the following:

- 17 (1) The current status, cost estimates, and feasibility of Highway Trust
18 Fund projects currently listed in Article 14 of Chapter 136 of the
19 General Statutes.
- 20 (2) Unanticipated problems with the structure of the Highway Trust Fund.
- 21 (3) The gap between transportation funding structures and the actual
22 transportation needs of the State.
- 23 (4) Allocation issues raised by the structure of the transportation funding
24 equity distribution formula in G.S. 136-17.2A.
- 25 (5) The feasibility of altering the project eligibility requirements of the
26 Highway Trust Fund
- 27 (6) The feasibility of altering the funding allocation structure of the
28 Highway Trust Fund
- 29 (7) Any other issue related to the Highway Trust Fund or transportation
30 funding.

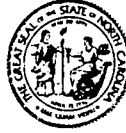
31 (d) Vacancies. -- The appointing authority shall fill any vacancy on the Study
32 Committee.

- 1 (e) Cochair. -- Cochair of the Study Committee shall be the cochair of the
2 Joint Legislative Transportation Oversight Committee. The Study Committee shall meet
3 upon the call of the Chair. A quorum of the Study committee shall be eight members.
- 4 (f) Expenses of Members. -- Members of the Study Committee shall receive per
5 diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or
6 138-6, as appropriate.
- 7 (g) Staff. -- The Legislative Services Office shall assign professional and clerical
8 staff to the assist the Study Committee in its work.
- 9 (h) Consultants. -- The Study Committee may hire consultants to examine
10 specific issues and subjects related to the study, in accordance with G.S. 120-32.02.
- 11 (i) Meetings During Legislative Session. -- The Study Committee may meet
12 during a regular or extra session of the General Assembly, subject to approval of the
13 Speaker of the House of Representatives and the President Pro Tempore of the Senate.
- 14 (j) Meeting Location. -- The Study Committee may meet at various locations
15 around the State in order to promote greater public participation in its deliberations. The
16 Legislative Services Commission shall grant adequate meeting space to the Study
17 Committee in the State Legislative Building or the Legislative Office Building.
- 18 (k) Report. -- The report of the study shall be made to Joint Legislative
19 Transportation Oversight Committee no later than April 1, 2002. Upon the filing of its
20 final report, the Study Committee shall terminate.
- 21 (l) Funding. -- The Study Committee shall be funded from funds available to the
22 Joint Legislative Transportation Oversight Committee, in accordance with G.S.
23 120-70.52.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H14

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.8 IN SENATE BUDGET

1 *DIVISION 3 HEADQUARTERS COMPLEX FUNDS.*

2 SECTION #. The requirement in §27.14 of S.L. 1999-237 that the Highway
3 Fund reimburse the Highway Trust Fund by June 30, 2004 for the capital costs required
4 to relocate the Division 3 headquarters complex in Wilmington, North Carolina is
5 rescinded.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H15

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.9 IN SENATE BUDGET

1 *DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ACCEPT*
2 *ELECTRONIC BIDS.*

3 SECTION #. (a) G.S. 136-28.1 is amended by adding a new subsection to
4 read:

5 "(k) The Department of Transportation may accept bids under this section by
6 electronic means and may issue rules governing the acceptance of these bids. For
7 purposes of this subsection 'electronic means' is defined as means relating to technology
8 having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar
9 capabilities."

10 SECTION #. (b) G.S. 136-28.1(a) reads as rewritten:

11 "(a) All contracts over eight hundred thousand dollars (\$800,000) that the
12 Department of Transportation may let for construction or repair necessary to carry out
13 the provisions of this Chapter shall be let to a responsible bidder after public advertising
14 under rules and regulations to be made and published by the Department of
15 Transportation. The right to reject any and all bids shall be reserved to the Board of
16 Transportation.

17 Contracts for construction or repair for federal aid projects entered into pursuant to
18 this section shall not contain the standardized contract clauses prescribed by 23 U.S.C. §
19 112(e) and 23 C.F.R. § 635.131(a) for differing site conditions, suspensions of work
20 ordered by the ~~engineer~~ engineer, or significant changes in the character of the work.
21 For those federal aid projects, the ~~The~~ Department of Transportation shall use ~~only the~~
22 contract provisions provided in the North Carolina Department of Transportation,
23 Standard Specifications for Roads and Structures, January 1, 1984, except as each may
24 be changed or provided for by rule adopted by the Board of Transportation in
25 accordance with the Administrative Procedure Act."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H16

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.10 IN SENATE BUDGET

1 *DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ESTABLISH AN*
2 *ESCORT DRIVER CERTIFICATION PROGRAM.*

3 SECTION #. G.S. 20-119 is amended by adding a new subsection to read:
4 "(f) The Department of Transportation shall issue rules to establish an escort
5 driver training and certification program for escort vehicles accompanying
6 oversize/overweight loads. Any driver operating a vehicle escorting an
7 oversize/overweight load shall meet any training requirements and obtain certification
8 under the rules issued pursuant to this subsection. These rules may provide for
9 reciprocity with other states having similar escort certification programs. Certification
10 credentials for the driver of an escort vehicle shall be carried in the vehicle and be
11 readily available for inspection by law enforcement personnel."

11

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H17

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.11 IN SENATE BUDGET

1 *TRANSFER RESPONSIBILITIES OF GOVERNOR'S HIGHWAY SAFETY*
2 *PROGRAM TO THE OFFICE OF THE SECRETARY OF TRANSPORTATION.*

3 SECTION #. (a) G.S. 143B-360 reads as rewritten:

4 "**§ 143B-360. Powers and duties of Department and Secretary.**

5 The Department of Transportation is hereby empowered to contract ~~in~~on behalf of
6 the State with the government of the United States to the extent allowed by the laws of
7 North Carolina for the purpose of securing the benefits available to this State under the
8 Federal Highway Safety Act of 1966. To that end, the Secretary of Transportation shall
9 coordinate, with the Governor's approval, the activities of any and all departments and
10 agencies of the State and its subdivisions relating thereto.

11 All of the duties and responsibilities of the Governor's Highway Safety Program,
12 established pursuant to this section, are transferred to the Office of the Secretary of
13 Transportation."

14 SECTION #. (b) This section becomes effective July 1, 2001.

12

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H20

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.12 IN SENATE BUDGET

1 ***SOME STATE AIRCRAFT OPERATIONS CONSOLIDATED.***

2 **SECTION #.** The aircraft operations of the Area Health Education Centers
3 of The University of North Carolina and the Department of Commerce shall be merged
4 into the aircraft operations of the Department of Transportation.

5 These agencies shall report to the Joint Legislative Commission on Governmental
6 Operations and to the Joint Legislative Transportation Oversight Committee by October
7 1, 2001 on the results of the consolidation, including reductions in aircraft, personnel,
8 parts inventories, material costs, and any other savings derived from the consolidation.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H21

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.13 IN SENATE BUDGET

1 *STATE HIGHWAY PATROL/DIVISION OF MOTOR VEHICLES*
2 *ENFORCEMENT CONSOLIDATION STUDY.*

3 SECTION #. The Secretary of Transportation shall study the possibility of
4 increased efficiencies through the consolidation and integration of the law enforcement
5 and other statutory duties of the State Highway Patrol and the Enforcement Section of
6 the Division of Motor Vehicles and shall report the results of that study to the Joint
7 Legislative Transportation Oversight Committee, to the Chairs of the Senate and House
8 Appropriations Committees, and to the Joint Legislative Corrections and Crime Control
9 Oversight Committee by December 1, 2001.

14

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H22

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.14 IN SENATE BUDGET

1 *DRIVERS LICENSE/MOTOR VEHICLE REGISTRATION SECTION*
2 *CONSOLIDATION STUDY.*

3 SECTION #. The Department of Transportation shall study the
4 consolidation and integration of the functions of the Driver License Section and the
5 Vehicle Registration Section of the Division of Motor Vehicles to provide more
6 accessible, efficient, and cost-effective service to the public. The Department of
7 Transportation shall report the results of this study to the Joint Legislative
8 Transportation Oversight Committee by March 1, 2002.

15

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H23

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

IDENTICAL TO §27.15 IN SENATE BUDGET

1 *APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION TO FUND*
2 *AVIATION GRANTS.*

3 SECTION #. Notwithstanding the provisions of G.S. 136-16.4 for
4 determining the amount of continuing aviation appropriations, there is appropriated
5 from the General Fund to the Department of Transportation the sum of seven million
6 two hundred fifty thousand dollars (\$7,250,000) for the 2001-2002 fiscal year to fund
7 aviation grants.

16

**SUGGESTED HOUSE PROVISIONS
THAT ARE
DIFFERENT FROM
SECTIONS OF THE
SENATE BUDGET**

H

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H9

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

DIFFERENT FROM §27.3 IN SENATE BUDGET

1 *SMALL URBAN AND CONTINGENCY FUNDS*

2 SECTION #. Of the funds appropriated in this act to the Department of
3 Transportation:

4 (1) \$14,000,000 shall be allocated in each fiscal year for small urban
5 construction projects. These funds shall be allocated equally in each
6 fiscal year of the biennium among the 14 Highway Divisions for the
7 small urban construction program for small construction projects that
8 are located within the area covered by a one-mile radius of the
9 municipal corporate limits.

10 (2) \$12,000,000 in fiscal year 2001-2002 and \$10,000,000 in fiscal year
11 2002-2003 shall be used statewide for rural or small urban highway
12 improvements and related transportation enhancements to public roads
13 and public facilities, industrial access roads, and spot safety projects as
14 approved by the Secretary of Transportation.

15 None of these funds used for rural secondary road construction are subject to the
16 county allocation formulas in G.S. 136-44.5(b) and (c).

17 These funds are not subject to G.S. 136-44.7.

18 The Department of Transportation shall report to the members of the General
19 Assembly on projects funded pursuant to this section in each member's district prior to
20 the Board of Transportation's action. The Department shall make a quarterly
21 comprehensive report on the use of these funds to the Joint Legislative Transportation
22 Oversight Committee and the Fiscal Research Division.

18

1 Requested by: Senators Gulley, Plyler, Odom, Lee

2 **SMALL URBAN AND CONTINGENCY FUNDS**

3 **SECTION 27.3.** Of the funds appropriated in this act to the
4 Department of Transportation:

5 (1) Fourteen million dollars (\$14,000,000) shall be allocated in each
6 fiscal year for small urban construction projects. These funds
7 shall be allocated equally in each fiscal year of the biennium
8 among the 14 Highway Divisions for the small urban
9 construction program for small construction projects that are
10 located within the area covered by a one-mile radius of the
11 municipal corporate limits.

12 (2) Fifteen million dollars (\$15,000,000) in fiscal year 2001-2002
13 and ten million dollars (\$10,000,000) in fiscal year 2002-2003
14 shall be used statewide for rural or small urban highway
15 improvements and related transportation enhancements to public
16 roads and public facilities, industrial access roads, and spot safety
17 projects as approved by the Secretary of Transportation.

18 None of these funds used for rural secondary road construction are
19 subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

20 These funds are not subject to G.S. 136-44.7.

21 The Department of Transportation shall report to the members of the
22 General Assembly on projects funded pursuant to this section in each member's
23 district prior to the Board of Transportation's action. The Department shall make a
24 quarterly comprehensive report on the use of these funds to the Joint Legislative
25 Transportation Oversight Committee and the Fiscal Research Division.

H

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H11

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

DIFFERENT FROM §27.5 IN SENATE BUDGET

1 *WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE*
2 *OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION FUNDS.*

3 SECTION #. Of the funds appropriated in this act for passenger rail service
4 in Western North Carolina, the Department of Transportation may use these funds for
5 the following purposes:

6 (1) Up to two hundred thousand dollars (\$200,000) during the 2001-2002
7 fiscal year may be used to contract with Amtrak to provide thruway
8 bus service for western North Carolina. These funds may only be used
9 for operations and may not be used for the purchase of equipment or
10 for making infrastructure improvements.

11 (2) Up to three hundred twenty thousand dollars (\$320,000) during the
12 2001-2002 fiscal year may be used to acquire right-of-way for stations
13 in the Town of Valdese and the City of Asheville.

14 The Department of Transportation shall report to the Joint Legislative Transportation
15 Oversight Committee by March 15, 2002 on the status of negotiations with the Norfolk
16 Southern Corporation on needed track improvements and on the status of negotiations
17 with local governments on local financial participation to provide passenger rail service
18 to Western North Carolina.

19 Five hundred twenty thousand dollars (\$520,000) of the remaining unencumbered
20 funds appropriated for the 1998-99 fiscal year for Western North Carolina rail service
21 shall revert.

20

1 Requested by: Senators Gulley, Plyler, Odom, Lee, Metcalf, Carter
2 **WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE**
3 **OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION**
4 **FUNDS**

5 **SECTION 27.5.** Of the funds appropriated in this act for passenger rail
6 service in Western North Carolina, the Department of Transportation may use
7 these funds for the following purposes:

- 8 (1) Up to two hundred thousand dollars (\$200,000) during the
9 2001-2002 fiscal year may be used to contract with Amtrak to
10 provide thruway bus service for Western North Carolina. These
11 funds may be used only for operations and may not be used for
12 the purchase of equipment or for making infrastructure
13 improvements.
- 14 (2) Up to three hundred twenty thousand dollars (\$320,000) during
15 the 2001-2002 fiscal year may be used to acquire right-of-way
16 for stations in the Town of Valdese and the City of Asheville.
- 17 (3) Up to four hundred eighty thousand dollars (\$480,000) during the
18 2001-2002 fiscal year for other costs associated with Western
19 North Carolina rail service.

20 The Department of Transportation shall report to the Joint Legislative
21 Transportation Oversight Committee by March 15, 2002, on the status of
22 negotiations with the Norfolk Southern Corporation on needed track
23 improvements and on the status of negotiations with local governments on local
24 financial participation to provide passenger rail service to Western North Carolina.

25 One million dollars (\$1,000,000) of the remaining unencumbered funds
26 appropriated for the 1998-99 fiscal year for Western North Carolina rail service
27 shall be transferred to the Highway Fund for the 2001-2002 fiscal year.

H

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H13

Department of Transportation
Charlotte Downtown Intermodal Station

Requested by:

DIFFERENT FROM §27.7 IN SENATE BUDGET

1 ***CHARLOTTE DOWNTOWN INTERMODAL STATION.***

2 **SECTION #.** The Department of Transportation shall report to the Joint
3 Legislative Transportation Oversight Committee by February 15, 2002 on the status of
4 the development of the downtown intermodal station in Charlotte. The report shall
5 include (i) the total cost, projected schedule, and scope of the project, (ii) how the costs
6 of the project will be met, including the shares of the costs borne by: the State of North
7 Carolina, participating local governments, federal funds, the Norfolk Southern
8 Corporation, private funding, and any other sources of funds, and (iii) identification of
9 at least three parcels of land that could be purchased for the station.

22

1 Requested by: Senators Gulley, Plyler, Odom, Lee

2 **CHARLOTTE DOWNTOWN INTERMODAL STATION**

3 **SECTION 27.7.** The Department of Transportation shall report to the
4 Joint Legislative Transportation Oversight Committee by February 15, 2002, on
5 the status of the development of the downtown intermodal station in Charlotte.
6 The report shall include (i) the total cost, projected schedule, and scope of the
7 project, (ii) how the costs of the project will be met, including the shares of the
8 costs borne by: the State of North Carolina, participating local governments,
9 federal funds, the Norfolk Southern Corporation, private funding, and any other
10 sources of funds, and (iii) description of other significant aspects of the project,
11 such as location, capacity, and modes of transportation to be incorporated.

H

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H5(S27.17)

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

DIFFERENT FROM §27.17 IN SENATE BUDGET

1 **DOT REGULATION OF THE TRANSIT OF MODULAR HOMES**

2 SECTION 27.17.(a) G.S. 20-356 reads as rewritten:

3 **"§ 20-356. Definitions.**

4 "Person" as used in this Article shall mean an individual, corporation, partnership,
5 association or any other business entity. The word "house" as used in this Article shall
6 mean a dwelling, building, or other structure in excess of 14 feet in ~~width~~ width;
7 provided that neither mobile homes, nor modular homes or portions thereof, are within
8 this definition when being transported from the manufacturer to the first set-up site. The
9 word "Department" as used in this Article shall mean the North Carolina Department of
10 Transportation."

11 SECTION 27.17.(b) G.S. 150B-21.1 is amended by adding a new
12 subsection to read:

13 "(a8) Notwithstanding the provisions of subsection (a) of this section, the
14 Secretary of Transportation may adopt temporary rules concerning the permitted height
15 of mobile and modular homes. After having the proposed temporary rule published in
16 the North Carolina Register and at least 30 days prior to adopting a temporary rule
17 pursuant to this subsection, the Secretary shall:

18 (1) Notify persons on its mailing list maintained pursuant to G.S. 150B-
19 21.2(d) and any other interested parties of its intent to adopt a
20 temporary rule.

21 (2) Accept oral and written comments on the proposed temporary rule.

22 (3) Hold at least one public hearing on the proposed temporary rule.

23 When the Secretary adopts a temporary rule pursuant to this subsection, the
24 Secretary must submit a reference to this subsection as the Secretary's statement of need
25 to the Codifier of Rules.

26 Notwithstanding any other provision of this Chapter, the Codifier of Rules shall
27 publish in the North Carolina Register a proposed temporary rule received from the
28 Secretary in accordance with this subsection."

29 SECTION #. 27.17.(c) Subsection (b) of this section expires on June 30,
30 2003.

31 24

1 Requested by: Senators Gulley, Rand, Plyler, Odom, Lee
2 DOT REGULATION OF THE TRANSIT OF MODULAR HOMES

3 SECTION 27.17.(a) G.S. 20-356 reads as rewritten:

4 "§ 20-356. Definitions.

5 "Person" as used in this Article shall mean an individual, corporation,
6 partnership, association or any other business entity. The word "house" as used in
7 this Article shall mean a dwelling, building, or other structure in excess of 14 feet
8 in ~~width~~-width; provided that neither mobile homes, nor modular homes or
9 portions thereof, are within this definition when being transported from a
10 manufacturer. The word "Department" as used in this Article shall mean the North
11 Carolina Department of Transportation."

12 SECTION 27.17.(b) G.S. 150B-21.1 is amended by adding a new
13 subsection to read:

14 "(a8) Notwithstanding the provisions of subsection (a) of this section, the
15 Secretary of Transportation may adopt temporary rules concerning the movement
16 of modular homes. After having the proposed temporary rule published in the
17 North Carolina Register and at least 30 days prior to adopting a temporary rule
18 pursuant to this subsection, the Secretary shall:

- 19 (1) Notify persons on its mailing list maintained pursuant to G.S.
20 150B-21.2(d) and any other interested parties of its intent to
21 adopt a temporary rule.
- 22 (2) Accept oral and written comments on the proposed temporary
23 rule.
- 24 (3) Hold at least one public hearing on the proposed temporary rule.

25 When the Secretary adopts a temporary rule pursuant to this subsection, the
26 Secretary must submit a reference to this subsection as the Secretary's statement of
27 need to the Codifier of Rules.

28 Notwithstanding any other provision of this Chapter, the Codifier of Rules
29 shall publish in the North Carolina Register a proposed temporary rule received
30 from the Secretary in accordance with this subsection."

**SUGGESTED HOUSE ONLY
PROVISIONS**

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H6

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

HOUSE ONLY PROVISION

1 *ISSUANCE OF RULES GOVERNING MINIMUM CRITERIA*
2 *TRANSPORTATION PROJECTS.*

3 SECTION #. G.S. 150B-21.1(a6) reads as rewritten:

4 "(a6) Reserved for future codification purposes. Notwithstanding the provisions of
5 subsection (a) of this section, the Board of Transportation may adopt temporary rules
6 pursuant to G.S. 113A-11(b) to establish a class of minimum criteria projects and
7 activities. At the discretion of the Board of Transportation, adoption of these temporary
8 rules shall be made with prior notice or hearing or upon any abbreviated notice or
9 hearing.

10 When the Board of Transportation adopts temporary rules pursuant to this
11 subsection, the Department of Transportation shall submit a reference to this subsection
12 as the Department's statement of need to the Codifier of Rules.

13 Notwithstanding any other provisions of this Chapter, the Codifier or Rules shall
14 publish in the North Carolina Register the proposed temporary rules received from the
15 Department of Transportation in accordance with this subsection. These temporary
16 rules are effective upon publication in the North Carolina Register and apply to all prior
17 approved but uncompleted projects and activities that are covered by these temporary
18 rules."

19

28

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H4

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representative Bowie

HOUSE ONLY PROVISION

1 *REPEAL OVER THREE-YEARS THE ANNUAL TRANSFER FROM THE*
2 *HIGHWAY TRUST FUND TO THE GENERAL FUND.*

3 SECTION #. (a) G.S. 105-187.9 reads as rewritten:

4 "**§ 105-187.9. Disposition of tax proceeds.**

5 (a) Taxes collected under this Article at the rate of eight percent (8%) shall be
6 credited to the General Fund. Taxes collected under this Article at the rate of three
7 percent (3%) shall be credited to the North Carolina Highway Trust Fund. ~~In each fiscal~~
8 ~~year the State Treasurer shall transfer the sum of one hundred seventy million dollars~~
9 ~~(\$170,000,000) of the taxes deposited in the Trust Fund to the General Fund. The~~
10 ~~transfer of funds authorized by this section may be made by transferring one fourth of~~
11 ~~the amount at the end of each quarter in the fiscal year or by transferring the full amount~~
12 ~~annually on July 1 of each fiscal year, subject to the availability of revenue.~~

13 (b) Subject to the availability of revenue, the State Treasurer shall transfer the
14 following sums of the taxes deposited in the Trust Fund, pursuant to subsection (a) of
15 this section, to the General Fund:

16 (1) On July 1, 2003 – one hundred twenty-seven million five hundred
17 thousand dollars (\$127,500,000).

18 (2) On July 1, 2004 – eighty-five million dollars (\$85,000,000).

19 (3) On July 1, 2005 – forty-two million five hundred thousand dollars
20 (\$42,500,000).

21 (4) On July 1, 2006, and on July 1 or each year thereafter, no funds shall
22 be transferred."

23 SECTION #: (b) G.S. 136-176 is amended by adding a new subsection to
24 read:

25 "(e) The Department of Transportation shall use the following funds deposited in
26 the Trust Fund pursuant to subdivision (a)(2) of this section (in addition to any other
27 funds appropriated for this purpose) for highway maintenance:

28 (1) For the 2003-2004 fiscal year – forty-two million five hundred
29 thousand dollars (\$42,500,000).

30 (2) For the 2004-2005 fiscal year – eighty-five million dollars
31 (\$85,000,000).

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- (3) For the 2005-2006 fiscal year – one hundred twenty-seven million five hundred thousand dollars (\$127,500,000).
- (4) For the 2006-2007 and all subsequent fiscal years – one hundred seventy million dollars (\$170,000,000)."

30

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H2

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

HOUSE ONLY PROVISION

1 *DEPARTMENT OF TRANSPORTATION PRODUCTIVITY PILOT PROGRAMS*

2 SECTION #. The Department of Transportation may establish two pilot
3 programs to test incentive pay for employees as a means for increasing efficiency and
4 productivity.

5 One of the pilot programs shall involve the highway resurfacing program using
6 road oil. Up to .25% of the budget allocation for this program may be used to provide
7 employee incentive payments.

8 The other pilot project may be selected by the Department of Transportation and
9 up to \$25,000 may be used from existing budgets for incentives.

10 Incentive payments shall be based on quantifiable measures and production
11 schedules determined prior to the implementation of the pilot programs that shall last no
12 more than two years.

13 The Department of Transportation shall report to the Joint Legislative
14 Transportation Oversight Committee on the pilot programs at least 30 days prior to their
15 implementation.

31

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H3

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representative Sutton

HOUSE ONLY PROVISION

1 **CONTRACT AGENT RATE INCREASE**

2 SECTION #. G.S. 20-63(h) reads as rewritten:

3 "(h) Commission Contracts for Issuance of Plates and Certificates. – All
4 registration plates, registration ~~certificates~~ certificates, and certificates of title issued by
5 the Division, outside of those issued from the Raleigh offices of the ~~said~~ Division and
6 those issued and handled through the United States mail, shall be issued insofar as
7 practicable and possible through commission contracts entered into by the Division for
8 the issuance of ~~such~~ the plates and certificates in localities throughout North Carolina
9 with persons, firms, corporations or governmental subdivisions of the State of North
10 ~~Carolina and the~~ Carolina. The Division shall make a reasonable effort in every locality,
11 except as ~~hereinbefore noted~~, noted above, to enter into a commission contract for the
12 issuance of ~~such~~ the plates and certificates and a record of these efforts shall be
13 maintained in the Division. In the event the Division is unsuccessful in making
14 ~~commission contracts as hereinbefore set out~~ contracts, it shall ~~then~~ issue said ~~the~~ plates
15 and certificates through the regular employees of the Division. Whenever registration
16 plates, registration ~~certificates~~ certificates, and certificates of title are issued by the
17 Division through commission contract arrangements, the Division shall provide proper
18 supervision of ~~such~~ the distribution. ~~Commission contracts entered under this subsection~~
19 ~~shall provide for the payment of compensation for all transactions as set forth below.~~
20 Nothing contained in this subsection will allow or permit the operation of fewer outlets
21 in any county in this State than are now being operated.

22 Commission contracts entered into by the Division under this subsection shall
23 provide for the payment of compensation on a per transaction basis. The collection of
24 the highway use tax shall be considered a separate transaction for which one dollar and
25 twenty-seven cent (\$1.27) compensation shall be paid. The performance at the same
26 time of one or more of the remaining transactions listed in this subsection shall be
27 considered a single transaction for which one dollar and forty-three cent (\$1.43)
28 compensation shall be paid.

29 A transaction is any of the following activities:

- 30 (1) Issuance of a registration plate, a registration card, a registration
31 renewal sticker, or a certificate of title.
32 (2) Issuance of a handicapped placard or handicapped identification card.

32

- 1 (3) Acceptance of an application for a personalized registration plate.
- 2 (4) Acceptance of a surrendered registration plate, registration card, or
- 3 registration renewal sticker, or acceptance of an affidavit stating why a
- 4 person cannot surrender a registration plate, registration card, or
- 5 registration renewal sticker.
- 6 (5) Cancellation of a title because the vehicle has been junked.
- 7 (6) Acceptance of an application for, or issuance of, a refund for a fee or a
- 8 tax, other than the highway use tax.
- 9 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
- 10 financial responsibility or receipt of the restoration fee imposed by that
- 11 statute.
- 12 (8) Acceptance of a notice of failure to maintain financial responsibility
- 13 for a motor vehicle.
- 14 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- 15 (8b) Sale of one or more inspection stickers in a single transaction to a
- 16 licensed inspection station.
- 17 (9) Collection of the highway use tax.
- 18 (10) Acceptance of a temporary lien filing.

19 ~~Performance at the same time of any combination of the items that are listed within~~
20 ~~each subdivision or are listed within subdivisions (1) through (8b) of this section is a~~
21 ~~single transaction for which a dollar and thirty five cent (\$1.35) compensation shall be~~
22 ~~paid. Performance of the item listed in subdivision (9) of this subsection in combination~~
23 ~~with any other items listed in this subsection is a separate transaction for which a one~~
24 ~~dollar and twenty cent (\$1.20) compensation shall be paid."~~
25

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H24

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

HOUSE ONLY PROVISION

1 *RESTRICTED MOVEMENT OF MOBILE HOMES MORE THAN FOURTEEN*
2 *FEET WIDE DURING CERTAIN HOURS*

3 SECTION #. The Department of Transportation shall issue regulations
4 allowing the transportation of mobile, modular, or manufactured homes fourteen feet
5 wide or wider on State highways only during the hours of 12 midnight to 6 A.M.

34

**SECTIONS OF SENATE BUDGET FOR
WHICH THERE ARE NO
SUGGESTED HOUSE PROVISIONS**

1 **SENATE ONLY PROVISION**

2
3 Requested by: Senators Gulley, Plyler, Odom, Lee

4 **CHANGE STATUTORY REFERENCES TO "COMMISSIONER OF**
5 **MOTOR VEHICLES"**

6 **SECTION 27.16.** The Revisor of Statutes is directed to change all
7 references to the "Commissioner of Motor Vehicles" and all variants of references
8 to the person holding that position to "Secretary of Transportation or his designee"
9 in Chapter 20 of the General Statutes and in the following statutes:

10 G.S. 1-105, 8-37, 44A-4, 58-31-52, 58-36-65, 66-58, 105-187.1,
11 105-187.3, 105-187.4, 105-187.10, 105-449.54, 143-116.8, 143-166.13,
12 143-215.107, 147-33.2, 158-42, and in any other statute where those words or
13 variants appear.

1 **SENATE ONLY PROVISION**

2

3 Requested by: Senators Gulley, Plyler, Odom, Lee, Albertson

4 **ASPHALT PAVEMENT RECYCLING**

5 **SECTION 27.18.** The Department of Transportation as part of its
6 resurfacing programs, shall recycle pavement surfaces, where feasible, based on
7 engineering and economic analyses. On projects where hot in-place recycling is
8 determined to be a viable option, the Department shall use an alternate bid
9 process.

1 **SENATE ONLY PROVISION**

2

3 Requested by: Senators Gulley, Lee, Odom, Plyler

4 **AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL**
5 **TRANSPARK AIRPORT**

6 **SECTION 27.19.** - The Department of Transportation's Aviation
7 Division shall study the transfer of the Global TransPark airport fixed assets and
8 operations from the Global TransPark Authority to another appropriate entity. The
9 Aviation Division shall report the results of this study to the Joint Legislative
10 Transportation Oversight Committee by December 15, 2001.

1 **SENATE ONLY PROVISION**

2
3 Requested by: Senators Gulley, Lee, Odom, Plyler

4 **STATE BOARD OF COMMUNITY COLLEGES TO STUDY TRANSFER OF**
5 **GLOBAL TRANSPARK EDUCATION AND TRAINING CENTER**

6 **SECTION 27.20.** The State Board of Community Colleges shall study the
7 transfer of the Education and Training Center from the Global TransPark Authority to
8 an appropriate public educational entity. The State Board of Community Colleges shall
9 report the results of the study to the Joint Legislative Transportation Oversight
10 Committee by December 15, 2001.

39

6/13 PM
Page 1

2001-2003 Budget - Highway Fund

Governor's Recommendations

Draft Subcommittee Recommendations

	Governor's Recommendations			Draft Subcommittee Recommendations		
	2001-2002	2002-2003	2001-2002	Senate 2002-2003	2001-02	House 2002-2003
Availability						
1 Revenue	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000
2 Surplus from Prior Year	14,860,000 NR	-	14,860,000 NR	-	14,860,000 NR	-
3 Reversions from Previous Years						
4 Funds Available	1,318,140,000	1,311,720,000	1,319,140,000	1,311,720,000	1,318,660,000	1,311,720,000
5 Recommended Continuation Budget	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525
6						
7 Net Funds Available	113,662,497	99,999,475	114,662,497	99,999,475	114,182,497	99,999,475
8						
9						
10 Budget Reductions						
11 Retirement Rate Adjustment	(9,155,000)	(9,155,000)	(12,853,620)	(12,853,620)	(9,155,000)	(9,155,000)
12 Transfer to Highway Trust Fund	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)
13 Reduce Highway Patrol Inflationary Increases for Gasoline			(1,278,340)	(1,076,279)	(403,340)	(201,279)
14 Reduce Highway Patrol Inflationary Increases for Cars			(710,875)	(1,701,282)	(710,875)	(1,701,282)
15 Eliminate Highway Patrol Communications Equipment Upgrade			(875,000)	(875,000)	(875,000)	(875,000)
16 Reduce Driver Education Funding			(1,966,232)	(1,966,232)	(1,966,232)	(1,966,232)
17 Global Transpark Authority Administration			(605,549)	(640,882)	(605,549)	(1,259,542)
18 Eliminate DMV Commissioners Office			(1,777,828)	(2,365,937)	(1,777,828)	(2,370,437)
19 Eliminate Governor's Highway Safety Program			(357,277)	(357,277)	(357,277)	(357,277)
20						
21						
22						
23						
24 Total Adjustments and Reductions	(47,155,000)	(47,155,000)	(58,424,721)	(59,836,509)	(53,851,101)	(55,886,049)
25						
26 Total Funds Available for Expansion	160,817,497	147,154,475	173,087,218	159,835,984	168,033,598	155,885,524
27 Total Nonrecurring Funds Available	14,860,000 NR	- NR	15,860,000 NR	- NR	15,380,000 NR	- NR
28 Total Recurring Funds Available	145,957,497	147,154,475	157,227,218	159,835,984	152,653,598	155,885,524

The figures on lines 18 and 19 will be revised when we receive further details on the Secy's plan.

6/13 pm
page 2

2001-2003 Budget - Highway Fund

Governor's Recommendations

Draft Subcommittee Recommendations

	<u>Governor's Recommendations</u>		<u>Draft Subcommittee Recommendations</u>	
	<u>2001-2003 Budget - Highway Fund</u>		<u>2001-2003 Budget - Highway Fund</u>	
	<u>2001-2002</u>	<u>2002-2003</u>	<u>Senate 2002-2003</u>	<u>House 2002-2003</u>
29 Expansion Items				
30 Restore Maintenance Funds to FY 2001 Levels	31,000,000	31,000,000	31,000,000	31,000,000
31 Increase Maintenance Funding	17,640,445	17,640,445	22,894,341	19,140,445
32 Increase Maintenance Funding (NR)	7,022,971	NR	NR	8,522,971
33 Restore Contract Resurfacing Funds to FY 2001 Levels	7,000,000	7,000,000	7,000,000	7,000,000
34 Increase Contract Resurfacing Funds	10,000,000	10,000,000	17,000,000	18,240,654
35 Increase Contract Resurfacing Funds (NR)				1,500,000
36 Restore Public Transportation Funds to FY 2001 Levels	15,621,993	15,621,993	15,621,993	15,621,993
37 Replace Federal Funds for Public Transportation	10,000,000	10,000,000	10,000,000	10,000,000
38 Increase Public Transportation Funding	4,000,000	4,000,000	13,713,913	11,047,535
39 Increase Public Transportation Funding (NR)				366,000
40 Provide Funds for Western NC Rail Service	3,525,000	3,525,000	1,000,000	520,000
41 Restore Rail Funds to FY 2001 Levels	9,407,088	9,407,088	2,000,000	2,000,000
42 Restore Rail Funds to FY 2001 Levels (NR)				5,000,000
43 Acquire Right of Way for Charlotte Station	15,000,000	15,000,000	15,000,000	15,000,000
44 Repair and Renovation	10,000,000	NR	1,634,000	1,634,000
45 Replace General Fund Support for Airport Grants	5,000,000	NR	5,000,000	3,000,000
46 Commercial Vehicle Information Systems for DMV	5,773,100	NR		
47 Vehicle Registration Customer ID	480,000	NR		
48 Increase Staffing for School Bus and Traffic Safety	106,849			
49 State Health Plan	7,000,000	9,000,000	9,000,000	7,000,000
50 2% Salary Increase for Highway Fund Employees	8,600,000	8,600,000	7,200,000	8,600,000
51 Small Urban and Rural Highway Construction			5,000,000	2,000,000
52 Increased Contract Agent Compensation				840,000
53				
54 Total Expansion	160,817,497	147,154,475	173,087,218	168,033,598
55 Nonrecurring Expansion	53,955,059	NR	39,656,971	NR
56 Recurring Expansion	106,862,438	108,969,287	133,430,247	130,490,627
57				
58 Surplus (Deficit)			24,405,737	
59				
60				
61				
62				
63 Global TransPark			(1,093,102)	307,805
64 Airport Grants	(5,000,000)		(5,000,000)	(5,000,000)
				(3,897,152)

2001-2003 DOT Budget - General Fund

(1,062,717)
(5,000,000)

129,749,973
129,749,973
26,135,551
(3,897,152)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H24

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

HOUSE ONLY PROVISION

1 *RESTRICTED MOVEMENT OF MOBILE HOMES MORE THAN FOURTEEN*
2 *FEET WIDE DURING CERTAIN HOURS*

3 SECTION #. The Department of Transportation shall issue regulations
4 allowing the transportation of mobile, modular, or manufactured homes greater than
5 fourteen feet in width on State highways only during the hours of 12 midnight to 6 A.M.

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

6-13-01

Name of Committee

Date

1:00 pm

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
D. Raman	NCPTA
Mark Alford	OSBM
Lisa J. Stork	NCAGO
FRED LAMAR	NCAHO
V.L. McBride	NCPTA
P. Simmons	NC DOT
Ruth Sappie	NC DOT
Jon Wilkerson	CCPS
Stanford Crow	NC DOT
Gayla Rose	Marla Marotta
Mercilee Bertone	NC DOT
Maureen Stallings	NC DOT
Wayne Horden	DOT - DMV
Hope Mozingo	DOT/DMV
Cecil Howard	DOT/DMV
Dr. J. Edwards	DMV - DOT
Sharon Matthews	DOT/DMV
Burton J. Lynn	DOT/DMV
Frank Gray	N.C. Men. Housing Institute
David King	NC DOT
Samuel Johnson	NS
Gene C. Cady	NCMA
STEVE VANEGGE	NC DOT
Sam Poole	Wood and Smith
John Phelps	NCLM

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)
Sent: Wednesday, June 13, 2001 4:34 PM
Subject: Approp/Trans Meeting Notice

REVISION TO ADD A BILL

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Thursday, June 14, 2001
TIME: 8:30 am
LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

- HB 43 NONBETTERMENT RELOCATION COSTS**
- HB 1229 HIGHWAY MAINTENANCE FUNDS-SOURCES/DISTRIBUTION**
- HB 1245 NCDL SELECTIVE SERVICE REGISTRATION**
- HB 1273 NCDL-ADDRESS REQUIREMENT ON APPLICATION**
- HB 1393 TRAFFIC SIMULATION SOFTWARE FUNDS**

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **3:00 pm** on **June 13, 2001**.

____ Principal Clerk
____ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

June 14, 2001
8:30 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Representative Joanne Bowie

HB 43 NONBETTERMENT RELOCATION COSTS
HB 1229 HIGHWAY MAINTENANCE FUNDS-SOURCES/DISTRIBUTION
HB 1245 NCDL SELECTIVE SERVICE REGISTRATION
HB 1273 NCDL-ADDRESS REQUIREMENT ON APPLICATION
HB 1393 TRAFFIC SIMULATION SOFTWARE FUNDS

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

June 14, 2001

8:30 a.m.

Room 1228 LB

The House Appropriations Subcommittee on Transportation met on June 14, 2001 at 8:30 a.m. in room 1228 of the Legislative Building. Representative Nelson Cole chaired the meeting. A visitor registration sheet is attached and made part of these minutes. The following members were present:

Rep. Nelson Cole
Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Lorene Coates

Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Cole opened the meeting and acknowledged the pages. He stated that the intent of the meeting was to have five bills that have been put in the Transportation/Appropriations Subcommittee be presented by the bill sponsors with no action taken.

The first bill to be heard was HB 1245 NCDL SELECTIVE SERVICE REGISTRATION. Representative Phil Baddour spoke on the bill. He recognized Donald Shaw, Director of Selective Service for North Carolina, who stated that it is still a law in North Carolina for males 18-25 years of age be required to register with the Selective Service. This bill would allow males 18-25 years old to automatically register with Selective Service when they get a driver's license or ID. Representative Sutton expressed concern that a provision be put in the bill stating that there be a place on the driver's license application to indicate that the male did not have to automatically register with the Selective Service if they so choose. Staff said they would look into the matter.

HB 43 NONBETTERMENT RELOCATION COSTS was then presented by Representative Martin Nesbitt. This bill would provide that DOT shall pay the nonbetterment costs of utility relocations for water and sewer lines owned by a system created pursuant to Article 20 of Chapter 160A. This legislation applies only to Buncombe and Henderson counties. Discussion followed. It was brought out that money is allocated by regions not counties. Representative Bowie moved to have the bill converted to a study. The motion passed. Ruth Sappie and Adrienne Flowers with DOT spoke briefly and answered some questions the committee had.

HB 1229 HIGHWAY MAINTENANCE FUNDS-SOURCES/DISTRIBUTION was then presented by Representative Fran Shubert. This bill would require DOT to determine the geographical sources of maintenance funds, to provide for the distribution of maintenance funds, and require internet reporting of all maintenance and construction expenditures. It

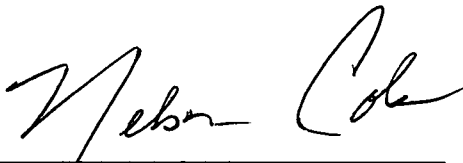
adds a new section to provide that DOT, working with Department of Revenue, determine annually by county the sources of funds allocated to the Highway Fund and the Highway Trust Fund. At least 20% of the funds derived from each county shall be used for road maintenance in that county the following year. Discussion followed. See handout #1, Memorandum to Representative Shubert from Evan Rodewald dated June 8, 2001, which shows transportation spending and revenue by division and county. David Allsbrook with DOT spoke briefly and answered some questions.

HB 1273 NCDL-ADDRESS REQUIREMENT ON APPLICATION was then presented by Representative Larry Justus. See handout #2, article entitled Other States' Stricter Rules Lead to Crowds at NC's DMV Offices. The bill would require the applicant to have a proof of address indicating they are a resident of North Carolina when obtaining a driver's license. Discussion followed. Staff will work with the principal sponsors with drafting legislation for the concerns brought to the committee.

HB 1393 TRAFFIC SIMULATION SOFTWARE FUNDS was then presented by Representative Paul Miller. This bill would appropriate funds for the state to acquire traffic simulation software, which would be used as a tool to visualize traffic flow. Discussion followed.

There being no further bills to be discussed, the meeting was adjourned at 9:55 a.m.

Respectfully submitted:



Representative Nelson Cole
Co-chairman



Suzanne Smith
House Legislative Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

2

HOUSE BILL 1245
Committee Substitute Favorable 4/24/01

Short Title: NCDL/Selective Service Registration.

(Public)

Sponsors:

Referred to:

April 12, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT MALE RESIDENTS AGE EIGHTEEN THROUGH TWENTY-FIVE COMPLY WITH THE SELECTIVE SERVICE SYSTEM'S REGISTRATION REQUIREMENTS WHEN APPLYING FOR A DRIVERS LICENSE OR IDENTIFICATION CARD.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 20 is amended by adding a new section to read:

"§ 20-9.2. Selective service system registration requirements.

(a) Any male United States citizen or immigrant who is at least 18 years of age but less than 26 years of age shall be registered in compliance with the requirements of the Military Selective Service Act, 50 U.S.C. § 453 (1948), when applying for the issuance, renewal, or duplication of a drivers license, commercial drivers license, or identification card.

(b) The Division shall forward in an electronic format the necessary personal information of the applicants identified in subsection (a) of this section required for registration to the Selective Service System. An application for the issuance, renewal, or duplication of a drivers license, commercial drivers license, or identification card indicates that the applicant has already registered with the Selective Service or that he authorizes the Division to forward the necessary information to the Selective Service for registration. The Division shall notify the applicant that his application for the issuance, renewal, or duplication of a drivers license, commercial drivers license, or identification card serves as his consent to be registered with the Selective Service System pursuant to this section."

SECTION 2. This act becomes effective October 1, 2001.

**2001 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Cole and Crawford (Chair/Chairs) for the Permanent Subcommittee on
Appropriations/Transportation of the Standing Committee on Appropriations.

Committee Substitute for

H.B. 1245 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT MALE
RESIDENTS AGE EIGHTEEN THROUGH TWENTY-FIVE COMPLY WITH THE SELECTIVE
SERVICE SYSTEM'S REGISTRATION REQUIREMENTS WHEN APPLYING FOR A DRIVERS
LICENSE OR IDENTIFICATION CARD.

REPORTED TO THE STANDING COMMITTEE ON APPROPRIATIONS

RECOMMENDED ACTION:

- With a favorable recommendation.
- With a favorable recommendation and recommend that the bill be re-referred to the Committee on
Appropriations.
- With a favorable recommendation, as amended.
- With a favorable recommendation, as amended, and recommend that the bill be re-referred to the
Committee on
- With an unfavorable recommendation.
- With a favorable recommendation as to proposed committee substitute bill, which changes the title,
unfavorable as to original bill.
- With a favorable recommendation as to proposed House committee substitute bill, which changes
the title, unfavorable as to Senate committee substitute bill.
- Without prejudice.
- Other recommended action: none

WITH APPROVAL OF STANDING COMMITTEE CHAIR(S) FOR REPORT TO BE MADE
DIRECTLY TO THE FLOOR OF THE HOUSE:

Representative for the Standing Committee on _____

s/ _____

- With a favorable report.
- With a favorable report, as amended.
- With a favorable report as to committee substitute bill (#), which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill #). (and recommendation that
the committee substitute bill (#) be referred to the Committee on .)

02/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 43

Short Title: Nonbetterment Relocation Costs.

(Local)

Sponsors: Representatives Cansler; Nesbitt, Sherrill, and Walend.

Referred to: Transportation.

February 5, 2001

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT THE DEPARTMENT OF TRANSPORTATION
2 SHALL PAY THE NONBETTERMENT COSTS OF UTILITY RELOCATIONS
3 FOR WATER AND SEWER LINES OWNED BY A SYSTEM CREATED
4 PURSUANT TO ARTICLE 20 OF CHAPTER 160A OF THE GENERAL
5 STATUTES.
6

7 The General Assembly of North Carolina enacts:

8 SECTION 1. G.S. 136-27.1 reads as rewritten:

9 "§ 136-27.1. Relocation of water and sewer lines of municipalities and nonprofit
10 water or sewer corporations or associations.

11 The Department of Transportation shall pay the nonbetterment cost for the
12 relocation of water and sewer lines, located within the existing State highway right-of-
13 way, that are necessary to be relocated for a State highway improvement project and
14 that are owned by: (i) a municipality with a population of 5,500 or less according to the
15 latest decennial census; (ii) a nonprofit water or sewer association or corporation; (iii)
16 any water or sewer system organized pursuant to Chapter 162A of the General Statutes;
17 (iv) a rural water system operated by county as an enterprise system; (v) any sanitary
18 district organized pursuant to Part 2 of Article 2 of Chapter 130A of the General
19 Statutes; ~~or~~ (vi) constructed by a water or sewer system organized pursuant to Chapter
20 162A of the General Statutes and then sold or transferred to a municipality with a
21 population of greater than 5,500 according to the latest decennial ~~census~~-census; or (vii)
22 constructed by a water or sewer system organized pursuant to Article 20 of Chapter
23 160A of the General Statutes."

24 SECTION 2. This act applies to Buncombe County and Henderson County
25 only.

26 SECTION 3. This act shall not apply to any funds due to the Department of
27 Transportation for any project completed or for which a contract has been let prior to
28 the effective date of this act.

1 **SECTION 4.** Funds expended by the Department of Transportation pursuant
2 to this act shall be credited against Department projects in Buncombe and Henderson
3 Counties only and shall not affect or delay projects in the other counties of
4 Transportation Divisions 13 and 14.

5 **SECTION 5.** This act is effective when it becomes law and shall not affect
6 pending litigation.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

HOUSE BILL 1229

Short Title: Highway Maintenance Funds-Sources/Distribution. (Public)

Sponsors: Representatives Shubert; Russell and Harrington.

Referred to: Transportation.

April 12, 2001

A BILL TO BE ENTITLED

AN ACT REQUIRING THE DEPARTMENT OF TRANSPORTATION TO DETERMINE THE GEOGRAPHICAL SOURCES OF MAINTENANCE FUNDS, TO PROVIDE FOR THE DISTRIBUTION OF MAINTENANCE FUNDS, AND TO REQUIRE INTERNET REPORTING OF ALL MAINTENANCE AND CONSTRUCTION EXPENDITURES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 136 of the General Statutes is amended by adding a new section to read:

"§ 136-44.17. Maintenance funding.

(a) The Department of Transportation shall work with the Department of Revenue to determine annually by county the sources of funds allocated to the Highway Fund and the Highway Trust Fund. Taxes that cannot be directly sourced to the county of origin will be allocated based on population in order to determine what each county contributes to the State for highway funding.

(b) At least twenty percent (20%) of the funds derived from each county shall be used for road maintenance in that county in the following year.

(c) The Department of Transportation shall consult with county commissioners or their designees before funding any maintenance projects in their counties. If the county commissioners object to the use of a contractor because of a prior record of inadequate performance, that contractor may not be used.

(d) The Department of Transportation shall promptly post on their Internet site a record of all funds expended for maintenance or road construction (including discretionary projects) since 1998 and shall update this record at least annually. The records shall be posted by county, by amount, by contractor, with the work described by road name or bridge location (with sufficient detail to permit a layman to know where the work was done), with a description of the type of work done, the date on which the

1 contract was let, the projected completion time, the date on which the project began, and
2 when it was actually completed."

3 **SECTION 2.** This act is effective when it becomes law.

Handout #1



North Carolina General Assembly Legislative Services Office

George R. Hall, Legislative Services Officer
(919) 733-7044

Tony C. Goldman, Director
Administrative Division
Room 9, Legislative Building
16 W. Jones Street
Raleigh, NC 27603-5925
(919) 733-7500

Gerry F. Cohen, Director
Bill Drafting Division
Suite 401, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-6660

James D. Johnson, Director
Fiscal Research Division
Suite 619, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-4910

Dennis W. McCarty, Director
Information Systems Division
Suite 400, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-6834

Terrence D. Sullivan, Director
Research Division
Suite 545, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-2578

June 8, 2001

MEMORANDUM

TO: Representative Shubert
FROM: Evan Rodewald *E.R.*
RE: Spending and Revenue by County

As you requested, attached is another iteration of our analysis of transportation spending and revenue by county. The information provided in this memo is based on the February 1, 2001 analysis of DOT spending and revenues that we have already provided. As such, this information is subject to all of the assumptions and limitations of that analysis.

The attached spreadsheet compares the share of revenue and share of expenditures for each Division and each county. The spreadsheet is organized by Division and alphabetized by county within each Division. The chart below summarizes the ratio of share of expenditures to share of revenue by Division from largest to smallest.

<u>Division</u>	<u>Ratio of Share of Expenditures to Share of Revenues</u>
1	1.90
14	1.43
11	1.39
13	1.19
8	1.07
7	1.02
2	1.01
3	1.00
10	.93
4	.90
5	.84
9	.82
12	.76
6	.75

If you have any questions, please let us know.

ER:djb
cc: Bob Weiss
Attachment

Transportation Revenues and Expenditures by Division and County

		FY 1990 -		
		FY 1999	FY 2000	Ratio of
		Share of	Share of	Expenditures
		Expenditures	Revenues	to Revenues
DIVISION	COUNTY			
1	BERTIE	0.51%	0.29%	1.75
1	CAMDEN	0.13%	0.10%	1.28
1	CHOWAN	0.59%	0.20%	2.91
1	CURRITUCK	0.81%	0.26%	3.10
1	DARE	0.96%	0.49%	1.97
1	GATES	0.21%	0.14%	1.45
1	HERTFORD	0.38%	0.31%	1.23
1	HYDE	0.21%	0.11%	1.90
1	MARTIN	0.95%	0.35%	2.71
1	NORTHAMPTON	0.46%	0.31%	1.51
1	PASQUOTANK	0.35%	0.43%	0.82
1	PERQUIMANS	0.41%	0.17%	2.41
1	TYRRELL	0.26%	0.06%	4.52
1	WASHINGTON	0.23%	0.18%	1.27
1 Total		6.47%	3.40%	1.90
2	BEAUFORT	0.58%	0.64%	0.90
2	CARTERET	0.75%	0.89%	0.84
2	CRAVEN	1.76%	1.11%	1.59
2	GREENE	0.23%	0.25%	0.92
2	JONES	0.19%	0.14%	1.37
2	LENOIR	0.53%	0.76%	0.70
2	PAMLICO	0.25%	0.19%	1.30
2	PITT	1.24%	1.50%	0.83
2 Total		5.52%	5.47%	1.01
3	BRUNSWICK	1.22%	0.91%	1.34
3	DUPLIN	1.11%	0.68%	1.62
3	NEW HANOVER	1.21%	1.89%	0.64
3	ONslow	1.23%	1.52%	0.81
3	PENDER	0.75%	0.51%	1.46
3	SAMPSON	0.84%	0.80%	1.04
3 Total		6.35%	6.32%	1.00
4	EDGECOMBE	1.00%	0.69%	1.45
4	HALIFAX	0.91%	0.78%	1.16
4	JOHNSTON	1.65%	1.55%	1.07
4	NASH	0.57%	1.22%	0.47
4	WAYNE	0.76%	1.41%	0.54
4	WILSON	1.04%	0.93%	1.12
4 Total		5.92%	6.57%	0.90
5	DURHAM	1.99%	2.39%	0.83
5	FRANKLIN	0.47%	0.63%	0.75
5	GRANVILLE	0.72%	0.66%	1.09
5	PERSON	0.37%	0.55%	0.68
5	VANCE	0.52%	0.60%	0.87
5	WAKE	5.98%	7.19%	0.83
5	WARREN	0.32%	0.27%	1.16

		FY 1990 -		
		FY 1999	FY 2000	Ratio of
		Share of	Share of	Expenditures
		Expenditures	Revenues	to Revenues
5 Total		10.38%	12.29%	0.84
6	BLADEN	0.63%	0.47%	1.34
6	COLUMBUS	0.81%	0.78%	1.05
6	CUMBERLAND	1.73%	3.28%	0.53
6	HARNETT	0.68%	1.10%	0.61
6	ROBESON	1.56%	1.57%	0.99
6 Total		5.42%	7.21%	0.75
7	ALAMANCE	1.56%	1.67%	0.94
7	CASWELL	0.38%	0.33%	1.14
7	GUILFORD	5.09%	4.95%	1.03
7	ORANGE	1.23%	1.22%	1.00
7	ROCKINGHAM	1.39%	1.32%	1.05
7 Total		9.65%	9.49%	1.02
8	CHATHAM	1.54%	0.69%	2.21
8	HOKE	0.24%	0.38%	0.62
8	LEE	0.55%	0.64%	0.85
8	MONTGOMERY	0.55%	0.39%	1.41
8	MOORE	0.65%	1.01%	0.65
8	RANDOLPH	1.34%	1.68%	0.80
8	RICHMOND	1.05%	0.61%	1.74
8	SCOTLAND	0.39%	0.47%	0.83
8 Total		6.30%	5.88%	1.07
9	DAVIDSON	1.33%	1.94%	0.68
9	DAVIE	0.49%	0.49%	1.01
9	FORSYTH	3.05%	3.61%	0.85
9	ROWAN	1.37%	1.62%	0.84
9	STOKES	0.57%	0.63%	0.90
9 Total		6.81%	8.29%	0.82
10	ANSON	0.43%	0.36%	1.19
10	CABARRUS	1.17%	1.52%	0.77
10	MECKLENBURG	7.66%	7.31%	1.05
10	STANLY	0.61%	0.78%	0.79
10	UNION	0.84%	1.51%	0.56
10 Total		10.71%	11.47%	0.93
11	ALLEGHANY	0.45%	0.17%	2.56
11	ASHE	0.64%	0.41%	1.56
11	AVERY	0.30%	0.26%	1.15
11	CALDWELL	0.99%	1.07%	0.93
11	SURRY	1.63%	1.04%	1.56
11	WATAUGA	1.14%	0.54%	2.10
11	WILKES	1.17%	1.00%	1.16
11	YADKIN	0.70%	0.52%	1.34
11 Total		7.01%	5.03%	1.39
12	ALEXANDER	0.58%	0.44%	1.30
12	CATAWBA	1.63%	1.86%	0.88
12	CLEVELAND	0.78%	1.30%	0.60
12	GASTON	1.63%	2.32%	0.70
12	IREDELL	1.20%	1.66%	0.72

		FY 1990 -		
		FY 1999	FY 2000	Ratio of
		Share of	Share of	Expenditures
		Expenditures	Revenues	to Revenues
12	LINCOLN	0.64%	0.87%	0.74
12 Total		6.46%	8.45%	0.76
13	BUNCOMBE	2.37%	2.57%	0.92
13	BURKE	0.63%	1.18%	0.53
13	MADISON	1.75%	0.29%	6.11
13	MCDOWELL	1.00%	0.60%	1.68
13	MITCHELL	0.36%	0.24%	1.48
13	RUTHERFORD	0.72%	0.86%	0.84
13	YANCEY	0.27%	0.26%	1.05
13 Total		7.12%	6.00%	1.19
14	CHEROKEE	0.55%	0.34%	1.65
14	CLAY	0.20%	0.13%	1.56
14	GRAHAM	0.24%	0.14%	1.80
14	HAYWOOD	1.25%	0.73%	1.72
14	HENDERSON	1.18%	1.13%	1.04
14	JACKSON	0.56%	0.41%	1.36
14	MACON	0.70%	0.41%	1.70
14	POLK	0.51%	0.24%	2.09
14	SWAIN	0.30%	0.20%	1.52
14	TRANSYLVANIA	0.37%	0.39%	0.94
14 Total		5.88%	4.11%	1.43

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

HOUSE BILL 1273

Short Title: NCDL-Address Requirement on Application.

(Public)

Sponsors: Representatives Justus, Barnhart, J. Crawford, Kiser, Saunders; Allen, Allred, Barefoot, Blust, Bowie, Brubaker, Buchanan, Carpenter, Church, Clary, Coates, Cole, Creech, Culp, Cunningham, Davis, Decker, Dedmon, Easterling, Eddins, Edwards, Esposito, Fox, Gibson, Gillespie, Goodwin, Grady, Gulley, Haire, Hall, Hensley, Hill, Hilton, Holmes, Howard, Hurley, Jarrell, Jeffus, Johnson, McComas, Mitchell, Nye, Owens, Rayfield, Russell, Sexton, Sherrill, Smith, Starnes, Thompson, Tolson, Wainwright, Walend, Warner, West, Wright, and Yongue.

Referred to: Rules, Calendar, and Operations of the House.

April 12, 2001

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO OBTAIN
PROOF OF ADDRESS ON APPLICATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-7(b1) reads as rewritten:

"(b1) Application. – To obtain a-an identification card, learners permit, or drivers license from the Division, a person must complete an application form provided by the Division, present at least two forms of identification approved by the Commissioner, be a resident of this State, and demonstrate his or her physical and mental ability to drive safely a motor vehicle included in the class of license for which the person has applied. At least one of the forms of identification shall indicate the applicant's mailing and residence address. The Division may copy the identification presented or hold it for a brief period of time to verify its authenticity. To obtain an endorsement, a person must demonstrate his or her physical and mental ability to drive safely the type of motor vehicle for which the endorsement is required.

The application form must request all of the following information, and it must contain the disclosures concerning the request for an applicant's valid social security number required by section 7 of the federal Privacy Act of 1974, Pub. L. No. 93-579:

(1) The applicant's full name.

(2) The applicant's mailing address and residence address.

- 1 (3) A physical description of the applicant, including the applicant's sex,
2 height, eye color, and hair color.
- 3 (4) The applicant's date of birth.
- 4 (5) The applicant's valid social security number. The Division shall not
5 issue a license to an applicant who fails to provide the applicant's
6 social security number.
- 7 (6) The applicant's signature.
- 8 The applicant shall present as proof of residency at least two of the following:
- 9 (1) A paid utility bill showing the address of the applicant.
- 10 (2) A contract for an apartment, house, modular unit, or trailer unit with a
11 North Carolina address.
- 12 (3) A picture voter identification card.
- 13 (4) A passport.
- 14 (5) A receipt for personal property taxes paid.
- 15 (6) A receipt for real property taxes paid to a North Carolina locality.
- 16 (7) A current automobile insurance policy showing the applicant's address.
- 17 (8) A notarized residence certification.
- 18 (9) A military identification card.
- 19 (10) A photo identification card issued by a sheriff's department."
- 20 **SECTION 2.** This act is effective when it becomes law.

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Other States' Stricter Rules Lead to Crowds at NC's DMV Offices

HENDERSONVILLE – Stricter rules in neighboring states about proof of residency and legal status have caused long waits at some North Carolina drivers' licenses offices, officials say.

The overcrowding was so dire at one Henderson County Division of Motor Vehicles' office last week that Fire Marshal Rocky Hyder was called to investigate.

"People were not only standing in the hallway, but many people were either sitting or lying down in that area," Hyder said.

North Carolina, unlike neighboring South Carolina and Georgia, does not to require residents to document their legal status.

"Under North Carolina law, it is not an issue of whether you are legally in the United States," said Wayne Hurder, the director of drivers' license certification for the DMV. "There is nothing in state law that says you have to be (a legal resident)."

The DMV's mission, he says, is safety.

"We know people are going to be driving on the road when they get in the state," he said. "Would you rather know we did not serve that person or that they know the laws of the state and drive that vehicle safely?"

At the Henderson County office, the parking lot is so full that some people must park on the shoulder of the

road and in a grassy area near the office.

Officials say it's the tags on those vehicles that concern them most. On Thursday morning, a number of cars in the DMV parking lot carried tags from South Carolina, Georgia, Kentucky and Florida. At least six people arrived Thursday morning in a Jeep Cherokee with a South Carolina tag. They all came in the DMV office to wait in line.

In addition to proof of identity, North Carolina law requires people seeking a driver's license live in the state. And while giving false information to the DMV is a misdemeanor under state law, the law does not require DMV officers to ask for proof of residency.

In North Carolina, a resident is defined as someone who lives in the state for more than six months.

In contrast, at least three states bordering North Carolina require proof of residency when applicants seek a driver's license.

In South Carolina, applicants must prove they live in the state, an official with South Carolina's DMV said. The South Carolina agency accepts utility bills, employment records, school records, voter registration and social service cards as proof of residency.

Virginia and Georgia require driver's license applicants to supply similar proof of residency, according to the legislative report. Both Carolinas require people with Social Security numbers to present proof of their number.

But in South Carolina, people who legally come to the state from outside the country and do not have a Social Security number must obtain a letter from the Social Security Administration stating they are not eligible for a Social Security number.

Georgia requires people from outside the United States to present proper documentation from the Immigration and Naturalization Service.

But in North Carolina, people without Social Security numbers are not required to document their legal status in the country, a North Carolina DMV

spokesman said.

When South Carolina and Georgia passed laws about two years ago requiring applicants to have a legal presence in those states before getting a driver's license, North Carolina DMV offices saw an increase in people from other states trying to get a license here, Hurder said.

DMV officers try to screen out people they suspect have given a false North Carolina address. The DMV also works with local law enforcement as well as the FBI, the INS and other agencies to catch people who lie about where they live, he said.

"It's not something we have given up on. We are looking at different solutions," Hurder said.

Rep. Larry Justus, R-Henderson, said state law probably should require proof of residency for people seeking driver's licenses.

"That is not to keep anybody from getting a legitimate driver's license, but it is to expedite the process and make sure local citizens have the opportunity to get their license and not have to return to the DMV a number of times to get their license," he said.

The Rev. Juan Unda, who ministers to many in Henderson County's growing Hispanic community, said he appreciated North Carolina's efforts to help immigrants receive driver's licenses.

"As a pastor, I encourage people that they need a vehicle. For that they need a driver's license and insurance," Unda said. "Sometimes the problem in some states is they require a Social Security number that some people just don't have."

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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 1393

Short Title: Traffic Simulation Software Funds.

(Public)

Sponsors: Representative Miller.

Referred to: Appropriations.

April 26, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO APPROPRIATE FUNDS FOR THE DEVELOPMENT AND
3 ACQUISITION OF TRAFFIC SIMULATION SOFTWARE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** There is appropriated from the Highway Fund to the
6 Department of Transportation the sum of two hundred forty thousand dollars (\$240,000)
7 for the 2001-2002 fiscal year for the development and acquisition of traffic simulation
8 software. The Department shall make the software accessible to metropolitan planning
9 organizations, counties, municipalities, and citizens.

10 **SECTION 2.** This act becomes effective July 1, 2001.

HOUSE PAGES:

Name:

Jennifer Graves

Town: Asheboro

Randolph County

Sponsor: Harold Babaker

Name:

Rebekah Sullivan

Town:

Jefferson Ashe County

Sponsor:

Rex Baker

CORRECTED NOTICE

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE 2001-2002 SESSION

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Friday, June 22, 2001

TIME: 11:00 am

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **2:00 pm on June 21, 2001.**

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

AGENDA

June 22, 2001
11:00 am
Room 1228/1327LB

Chairs

Representative Jim Crawford
Representative Nelson Cole
Representative Joanne Bowie

Committee Budget Recommendations

**MINUTES
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JUNE 22, 2001**


The Appropriations Subcommittee on Transportation met on Friday, June 22, 2001, in Room 1228/1327 of the Legislative Building at 11:00 a.m. The following members were present: Presiding Chairmen Nelson Cole and Jim Crawford; Representatives Bowie, Coates, Davis, and Saunders. Staff to the committee, Evan Rodewald, Giles Perry and Bob Weiss attended. A visitor registration list is attached and made part of these minutes.

Chairman Crawford referenced the recommended budget handout and explained the changes made since previous meetings.

Chairman Cole presented the changes and additions made in special provisions (handouts). Several members questioned Provision H35 – DOT to evaluate the locations of proposed public and private schools to enhance traffic operations and safety. Representative Saunders questioned what was intended on Line 18 by “reasonable period of time.” Ruth Sappie, DOT, was asked to respond prior to the Appropriations meeting on June 25.

After discussion on the changes, Representative Crawford moved that the package be submitted to the Appropriations chairs to be incorporated in the budget. The motion carried.

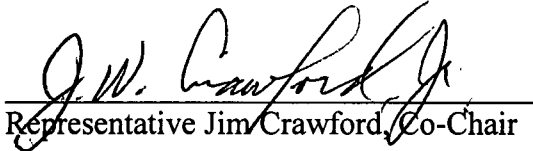
The meeting adjourned at 11:20 a.m.



Representative Nelson Cole, Co-Chair



Linda Winstead, Committee Assistant



Representative Jim Crawford, Co-Chair

Transportation

GENERAL FUND

	FY 2001-02	FY 2002-03
Recommended Budget	\$17,753,426	\$14,486,443

Legislative Changes

Aeronautics and Global TransPark

(1200) Airport Grants

1 Reduce General Fund Support

Reduces General Fund Airport Grant Program by \$5 million, to be partially offset by increase in funding from Highway Fund. (\$5,000,000) NR

Global TransPark

New 2 Global TransPark Reduction

Reduction recommended by the Governor. (\$1,660,709) NR

Change 3 Global TransPark Operating Reduction

	2001-2002	2002-2003		
			(\$1,062,717)	NR (\$1,093,102) NR
GTP Administration	\$424,451	\$433,651	[Previously 307,805 (\$1,093,102) NR]	
State Match/Runway	(\$1,116,742)	(\$1,094,350)		
Airport Operations	(\$124,795)	(\$157,987)		
Education and Training Center Operations	(\$115,247)	(\$134,807)		
Marketing	(\$54,749)	(\$56,939)		
Land Use Planning	(\$75,635)	(\$82,660)		

Total Legislative Changes

(\$7,723,426) NR (\$1,093,102) NR

Total Position Changes

Revised Budget

\$10,030,000 \$13,393,341

Transportation

HIGHWAY FUND

	FY 2001-02	FY 2002-03
Recommended Budget	\$1,204,477,503	\$1,211,720,525

Legislative Changes

Construction and Maintenance

(5180) Construction - Contingency

4 Small Urban and Rural Projects

Provides additional funding for small urban and rural highway construction. \$2,000,000 NR

(5240) Maintenance - Contract Resurfacing

5 Restore Contract Resurfacing Funds

Restores funding to FY 2001 levels. FY 2001 budget contained \$7,000,000 in nonrecurring funding. \$7,000,000 R

6 Increase Contract Resurfacing Funds

Increases contract resurfacing funding over funding from previous years. \$22,863,214 R

\$1,500,000 NR

Previously

19,240,654 R
1,500,000 NR

17,000,000 R

(5400) Capital Improvements

7 Repair and Renovation

Provides funds for repair and renovation of the Department's facilities. \$1,634,000 NR

(5940) Rail Program

8 Partially Restore Rail Funding

Partially restores funding to FY 2001 levels. FY 2001 budget contained \$12,932,088 in nonrecurring funding. \$2,000,000 R

	2001-2002	2002-2003
Western NC Service (NR)	\$ 520,000	
Raleigh-Charlotte	\$2,000,000	\$2,000,000
Raleigh-Charlotte (NR)	\$5,000,000	

9 Charlotte Station

Funds remaining land acquisition for new multi-modal station in Charlotte. \$15,000,000 NR

(5950) Airport Program

10 Airport Grants

Partially replaces General Fund support for airport grants with Highway Fund appropriation. \$3,000,000 NR

House Subcommittee on Transportation

FY 2001-02

FY 2002-03

(5970) Public Transportation Program

11 Restore Public Transportation Funding

\$15,621,993 R \$15,621,993 R

Restores funding to FY 2001 levels. FY 2001 budget contained \$15,621,993 in nonrecurring funding.

	2001-2002	2002-2003
Rural Capital	\$1,150,000	\$1,150,000
Rural Operating	\$2,650,000	\$2,650,000
Elderly & Disabled	\$900,000	\$900,000
Urban & Regional Maint.	\$1,921,993	\$1,921,993
New Starts	\$9,000,000	\$9,000,000

12 Replace Federal Funds

\$10,000,000 R \$10,000,000 R

Replaces federal funds with State Highway Fund money. \$10,000,000 of federal Congestion, Mitigation and Air Quality Funding that is being replaced will be redirected to the Transportation Improvement Program (TIP).

	2001-2002	2002-2003
Rural Operating	\$600,000	\$600,000
Human Service	\$400,000	\$400,000
New Starts	\$8,000,000	\$8,000,000
Urban & Reg. Tech.	\$1,000,000	\$1,000,000

13 Increase Public Transportation Funding

\$11,047,535 R
\$384,226 NR \$11,047,535 R

Increases public transportation funding over funding from previous years.

	2001-2002	2002-2003
Rural Capital	\$1,400,000	\$1,400,000
Rural Operating	\$1,400,000	\$1,400,000
Elderly & Disabled	\$500,000	\$500,000
Urban & Regional Maint.	\$1,725,107	\$1,340,881
New Starts	\$6,406,654	\$6,406,654

Governor's Highway Safety Program

(0410) Governor's Highway Safety

14 Transfer Program

(\$90,584) R (\$90,584) R

Transfers program to DOT Secretary's Office. Eliminates 1 vacant position currently funded under Governor's Highway Safety Program and funds 3 positions wholly out of federal funds.

-1.00 -1.00

Division of Motor Vehicles

(0510) Commissioner's Office

15 Eliminate 54 Positions within DMV

(\$2,062,747) R (\$2,062,747) R

-54.00 -54.00

House Subcommittee on Transportation

FY 2001-02

FY 2002-03

(0520) Vehicle Registration

16 Increase payment to contract agents

Provides a 6% increase in the fees paid to contract agents.

\$840,000 R

\$840,000 R

Reserves

(6270) Crime Control and Public Safety

17 Adjust Equipment Budget

Eliminates funds for upgrade of communications consoles and bay station equipment. Highway Patrol would be permitted to fund this equipment from other sources.

(\$875,000) R

(\$875,000) R

18 Adjustment for Vehicle Inflationary Factors

Would reduce continuation budget increases in the new vehicle line item consistent with cost increases in previous years.

(\$710,875) R

(\$1,701,282) R

19 Adjustment for Gasoline Inflationary Factors

Would reduce continuation budget increases in the gasoline line item.

(\$403,340) R

(\$201,279) R

(6310) Department of Public Instruction

20 Adjustment to Driver Education

Reduces funding due to fewer projected students and underspending in previous years.

(\$1,966,232) R

(\$1,966,232) R

(6360) Global TransPark Authority

21 GTP Administration

Adjust budget

(\$605,549) R

(\$640,882) R

Change

Previously

(1,259,542)

(6370) Transfer to Highway Trust Fund

22 Discontinue Transfer to Highway Trust Fund

Ends transfer to Highway Trust Fund of money required by statute. These funds were originally made available from the retirement of Highway Fund bonds. As these bonds were paid off, money equal to the debt service on the bonds was paid to the Highway Trust Fund.

(\$38,000,000) R

(\$38,000,000) R

(6611) Retirement Rate Adjustment

23 Retirement Rate Adjustment

Reduces the State contribution rate from 5.33% to 1.95% of payroll for members of the Teacher's and State Employees' Retirement System.

(\$12,377,560) R

(\$12,377,560) R

Change

Previously (9,155,000)

(9,155,000)

House Subcommittee on Transportation

FY 2001-02

FY 2002-03

(6801) Compensation Increase

24 State Funded Compensation Increase

\$7,200,000 R

\$7,200,000 R

Change Provides funding for a permanent \$625 annual salary increase to State employees whose salaries and wages are supported out of the Highway Fund. *Previously - 2%*

[\$8,600,000 \$8,600,000]

(6828) Reserve for Maintenance

25 Restore Maintenance Expenditures

\$31,000,000 R

\$31,000,000 R

Restores funding to FY 2001 levels. FY 2001 budget contained \$31,000,000 in nonrecurring funding.

26 Increase Maintenance Expenditures

\$19,140,445 R

\$19,140,445 R

Increases maintenance funding over funding from previous years.

\$8,522,971 NR

(6836) State Employee Reserve

27 State Employee Health Benefit Plan

\$7,000,000 R

\$9,000,000 R

Provides a 30% premium increase to the Plan for Teachers, State Employees, and Retired Employees effective October 1, 2001. The remaining financial support to keep the plan solvent through the 2001-03 biennium will come from increased premiums paid by employees for their families, cuts in payments to hospitals and physicians, and a reduction in the Plan's benefits.

Total Legislative Changes

\$76,621,300 R

\$77,797,621 R

\$37,561,197 NR

Total Position Changes

-55.00

-55.00

Revised Budget

\$1,318,660,000

\$1,289,518,146

2001-2003 Budget - Highway Fund

Governor's Recommendations

Draft Subcommittee Recommendations

	<u>Governor's Recommendations</u>			<u>Draft Subcommittee Recommendations</u>		
	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-02</u>	<u>2002-2003</u>
Availability						
1 Revenue	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000	1,303,280,000	1,311,720,000
2 Surplus from Prior Year	14,860,000 NR	-	14,860,000 NR	-	14,860,000 NR	-
3 Reversions from Previous Years			1,000,000 NR	520,000 NR		
4 Funds Available	1,318,140,000	1,311,720,000	1,319,140,000	1,311,720,000	1,318,660,000	1,311,720,000
5 Recommended Continuation Budget	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525	1,204,477,503	1,211,720,525
6						
7 Net Funds Available	113,662,497	99,999,475	114,662,497	99,999,475	114,182,497	99,999,475
8						
9						
10 Budget Reductions						
11 Retirement Rate Adjustment	(9,155,000)	(9,155,000)	(12,853,620)	(12,853,620)	(12,377,560)	(12,377,560)
12 Transfer to Highway Trust Fund	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)
13 Reduce Highway Patrol Inflationary Increases for Gasoline			(1,278,340)	(1,076,279)	(403,340)	(201,279)
14 Reduce Highway Patrol Inflationary Increases for Cars			(710,875)	(1,701,282)	(710,875)	(1,701,282)
15 Eliminate Highway Patrol Communications Equipment Upgrade			(875,000)	(875,000)	(875,000)	(875,000)
16 Reduce Driver Education Funding			(1,966,232)	(1,966,232)	(1,966,232)	(1,966,232)
17 Global Transpark Authority Administration			(605,549)	(640,882)	(605,549)	(640,882)
18 DMV Reductions			(1,777,828)	(2,365,937)	(2,062,747)	(2,062,747)
19 Governor's Highway Safety Program			(357,277)	(357,277)	(90,584)	(90,584)
20						
21						
22						
23						
24 Total Adjustments and Reductions	(47,155,000)	(47,155,000)	(58,424,721)	(59,836,509)	(57,091,887)	(57,915,566)
25						
26 Total Funds Available for Expansion	160,817,497	147,154,475	173,087,218	159,835,984	171,274,384	157,915,041
27 Total Nonrecurring Funds Available	14,860,000 NR	- NR	15,860,000 NR	- NR	15,380,000 NR	- NR
28 Total Recurring Funds Available	145,957,497	147,154,475	157,227,218	159,835,984	155,894,384	157,915,041

2001-2003 Budget - Highway Fund

Draft Subcommittee Recommendations

Governor's Recommendations

	Senate			House		
	2001-2002	2002-2003	2001-2002	2002-2003	2001-02	2002-2003
29 Expansion Items						
30 Restore Maintenance Funds to FY 2001 Levels	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000
31 Increase Maintenance Funding	17,640,445	17,640,445	22,894,341	22,894,341	19,140,445	19,140,445
32 Increase Maintenance Funding (NR)	7,022,971	NR	7,022,971	NR	8,522,971	NR
33 Restore Contract Resurfacing Funds to FY 2001 Levels	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
34 Increase Contract Resurfacing Funds	10,000,000	10,000,000	17,000,000	17,000,000	22,863,214	22,863,214
35 Increase Contract Resurfacing Funds (NR)					1,500,000	NR
36 Restore Public Transportation Funds to FY 2001 Levels	15,621,993	15,621,993	15,621,993	15,621,993	15,621,993	15,621,993
37 Replace Federal Funds for Public Transportation	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
38 Increase Public Transportation Funding	4,000,000	4,000,000	13,713,913	13,713,913	11,047,535	11,047,535
39 Increase Public Transportation Funding (NR)					384,226	NR
40 Provide Funds for Western NC Rail Service	3,525,000	3,525,000	1,000,000	NR	520,000	NR
41 Restore Rail Funds to FY 2001 Levels	9,407,088	9,407,088	2,000,000	2,000,000	2,000,000	2,000,000
42 Restore Rail Funds to FY 2001 Levels (NR)					5,000,000	NR
43 Acquire Right of Way for Charlotte Station	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
44 Repair and Renovation	10,000,000	NR	1,634,000	NR	1,634,000	NR
45 Replace General Fund Support for Airport Grants	5,000,000	NR	5,000,000	NR	3,000,000	NR
46 Commercial Vehicle Information Systems for DMV		5,773,100		NR		
47 Vehicle Registration Customer ID		480,000		NR		
48 Increase Staffing for School Bus and Traffic Safety		106,849				
49 State Health Plan	7,000,000	9,000,000	7,000,000	9,000,000	7,000,000	9,000,000
50 Salary Increase for Highway Fund Employees	8,600,000	8,600,000	7,200,000	7,200,000	7,200,000	7,200,000
51 Small Urban and Rural Highway Construction			5,000,000	NR	2,000,000	NR
52 Increased Contract Agent Compensation					840,000	840,000
53						
54 Total Expansion	160,817,497	147,154,475	173,087,218	135,430,247	171,274,384	135,713,187
55 Nonrecurring Expansion	53,955,059	NR	39,656,971	NR	37,561,197	NR
56 Recurring Expansion	106,862,438	108,969,287	133,430,247	135,430,247	133,713,187	135,713,187
57						
58 Surplus (Deficit)				24,405,737		22,201,854
61						
63 Global TransPark - Governor's Recommendations	(1,660,709)		(1,062,717)	(1,093,102)	(1,660,709)	(1,093,102)
64 Global TransPark - Additional Actions	(5,000,000)		(5,000,000)		(1,062,717)	(5,000,000)
65 Airport Grants					(5,000,000)	

2001-2003 DOT Budget - General Fund

June 22, 2001

Changes in Special Provisions Since June 13

- p. 6 H12 **Highway Trust Fund Study Committee**
New language on membership
- p. 15 H5 **DOT Regulation of the Transit of Modular Homes**
New language on line 8 and line 14
- p. 20 H6 **Issuance of Temporary Rules Governing Minimum Criteria
Transportation Projects**
Technical changes for conformity with similar statutes
- p. 23 H29 **State Tire Retreading Contract**
New provision
- p. 24 H30 **State Highway Patrol to Report to Legislative Oversight Committees
on Budgetary Matters**
*Joint Legislative Corrections, Crime Control, and Juvenile Justice
Oversight Committee to receive reports also*
- p. 25 H31 **Legislative Research Commission to Study Nonbetterment Utility
Relocation Costs in Highway Construction**
Recommended by Subcommittee
- p. 26 H35 **Department of Transportation to Evaluate the Locations of Proposed
Public and Private Schools To Enhance Traffic Operations and Safety**
New provision
- p. 27 H36 **Regional Public Transportation Authority Capital Reserve Fund
Accumulation**
New provision

Provisions Removed

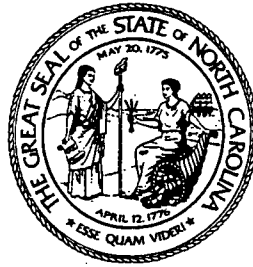
- H4 **Repeal Over Three Years the Annual Transfer From the Highway
Trust Fund to the General Fund**
- H20 **Some State Aircraft Operations Consolidated**
- H21 **State Highway Patrol/Division of Motor Vehicles Enforcement
Consolidation Study**
- H2 **Department of Transportation Productivity Pilot Programs**
- H27 **Selective Service Registration by the Division of Motor Vehicles**

June 22, 2001

H32 Division of Motor Vehicles to Assure Residency and Valid Social Security Number on License and Permit Applications

H34 Department of Transportation to Pay Department of Correction Only for Actual Medium Custody Inmate Labor

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS
HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
REPORT

JUNE 22, 2001
11:00 A.M. SUBCOMMITTEE MEETING

2001-TRANS-H7(S27.1)i	1
REPEAL BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO HIGHWAY TRUST FUND	
2001-TRANS-H8(S27.2)i	2
DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS AUTHORIZED	
2001-TRANS-H9(S27.3)	3
SMALL URBAN AND CONTINGENCY FUNDS	
2001-TRANS-H10(S27.4)i	4
CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS	
2001-TRANS-H11(S27.5)	5
WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION FUNDS.	
2001-TRANS-H12(S27.6)	6
HIGHWAY TRUST FUND STUDY COMMITTEE.	
2001-TRANS-H13(S27.7)	8
CHARLOTTE DOWNTOWN INTERMODAL STATION.	
2001-TRANS-H14(S27.8)i	9
DIVISION 3 HEADQUARTERS COMPLEX FUNDS	
2001-TRANS-H15(S27.9)i	10
DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ACCEPT ELECTRONIC BIDS	
2001-TRANS-H16(S27.10)i	11
DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ESTABLISH AN ESCORT DRIVER CERTIFICATION PROGRAM	
2001-TRANS-H17(S27.11)i	12
TRANSFER RESPONSIBILITIES OF GOVERNOR'S HIGHWAY SAFETY PROGRAM TO THE OFFICE OF THE SECRETARY OF TRANSPORTATION.	
2001-TRANS-H22(S27.14)i	13

DRIVERS LICENSE/MOTOR VEHICLE REGISTRATION SECTION	
CONSOLIDATION STUDY	
2001-TRANS-H23(S27.15)i	14
APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION TO FUND AVIATION GRANTS	
2001-TRANS-H5(S27.17)	15
DOT REGULATION OF THE TRANSIT OF MODULAR HOMES	
2001-TRANS-H25(S27.19)i	16
AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL TRANSPARK AIRPORT	
2001-TRANS-H26(S27.20)i	17
STATE BOARD OF COMMUNITY COLLEGES TO STUDY TRANSFER OF GLOBAL TRANSPARK EDUCATION AND TRAINING CENTER	
2001-TRANS-H3	18
CONTRACT AGENT RATE INCREASE	
2001-TRANS-H6	20
ISSUANCE OF TEMPORARY RULES GOVERNING MINIMUM CRITERIA TRANSPORTATION PROJECTS.	
2001-TRANS-H28	21
DEPARTMENT OF TRANSPORTATION CASH FLOW MANAGEMENT	
2001-TRANS-H29	23
STATE TIRE RETREADING CONTRACT	
2001-TRANS-H30	24
STATE HIGHWAY PATROL TO REPORT TO LEGISLATIVE OVERSIGHT COMMITTEES ON BUDGETARY MATTERS.	
2001-TRANS-H31	25
LEGISLATIVE RESEARCH COMMISSION TO STUDY NONBETTERMENT UTILITY RELOCATION COSTS IN HIGHWAY CONSTRUCTION	
2001-TRANS-H35	26
DEPARTMENT OF TRANSPORTATION TO EVALUATE THE LOCATIONS OF PROPOSED PUBLIC AND PRIVATE SCHOOLS TO ENHANCE TRAFFIC OPERATIONS AND SAFETY	
2001-TRANS-H36	27
REGIONAL PUBLIC TRANSPORTATION AUTHORITY CAPITAL RESERVE FUND ACCUMULATION	

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H7(S27.1)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

- 1 *REPEAL BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO*
- 2 *HIGHWAY TRUST FUND*
- 3 SECTION 27.1. G.S. 136-176(a)(4) and G.S. 136-183 are repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H8(S27.2)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 **DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS**
2 **AUTHORIZED**

3 SECTION 27.2.(a) Chapter 136 of the General Statutes is amended by
4 adding a new section to read:

5 "§ 136-28.11. Design-build construction of transportation projects.

6 Notwithstanding any other provision of law, the Board of Transportation may award
7 up to three contracts annually for construction of transportation projects on a design-
8 build basis. These contracts may be awarded after a determination by the Department of
9 Transportation that delivery of the projects must be expedited and that it is not in the
10 public interest to comply with normal design and construction contracting procedures.
11 Prior to the award of a design-build contract, the Secretary of Transportation shall report
12 to the Joint Legislative Transportation Oversight Committee and to the Joint Legislative
13 Commission on Governmental Operations on the nature and scope of the project and the
14 reasons an award on a design-build basis will best serve the public interest."

15 SECTION 27.2.(b) The Department of Transportation shall report to the
16 Joint Legislative Transportation Oversight Committee on September 1, December 1,
17 and March 1 of each year on the status of all design-build projects.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H9(S27.3)

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *SMALL URBAN AND CONTINGENCY FUNDS*

2 SECTION 27.3. Of the funds appropriated in this act to the Department of
3 Transportation:

4 (1) \$14,000,000 shall be allocated in each fiscal year for small urban
5 construction projects. These funds shall be allocated equally in each
6 fiscal year of the biennium among the 14 Highway Divisions for the
7 small urban construction program for small construction projects that
8 are located within the area covered by a one-mile radius of the
9 municipal corporate limits.

10 (2) \$12,000,000 in fiscal year 2001-2002 and \$10,000,000 in fiscal year
11 2002-2003 shall be used statewide for rural or small urban highway
12 improvements and related transportation enhancements to public roads
13 and public facilities, industrial access roads, and spot safety projects as
14 approved by the Secretary of Transportation.

15 None of these funds used for rural secondary road construction are subject to the
16 county allocation formulas in G.S. 136-44.5(b) and (c).

17 These funds are not subject to G.S. 136-44.7.

18 The Department of Transportation shall report to the members of the General
19 Assembly on projects funded pursuant to this section in each member's district prior to
20 the Board of Transportation's action. The Department shall make a quarterly
21 comprehensive report on the use of these funds to the Joint Legislative Transportation
22 Oversight Committee and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H10(S27.4)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND*
2 *APPROPRIATIONS*

3 **SECTION 27.4.(a)** The General Assembly authorizes and certifies
4 anticipated revenues of the Highway Fund as follows:

5	FY 2003-2004	\$1,334.6 million
6	FY 2004-2005	\$1,369.8 million
7	FY 2005-2006	\$1,406.1 million
8	FY 2006-2007	\$1,445.5 million

9 The General Assembly authorizes and certifies anticipated revenues of the
10 Highway Trust Fund as follows:

11	FY 2003-2004	\$1,127.6 million
12	FY 2004-2005	\$1,176.5 million
13	FY 2005-2006	\$1,226.8 million
14	FY 2006-2007	\$1,278.4 million

15 **SECTION 27.4.(b)** Section 25 of S.L. 2000-67 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H11(S27.5)

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *WESTERN NORTH CAROLINA AMTRAK THRUWAY BUS SERVICE*
2 *OPERATIONS AND STATION RIGHT-OF-WAY ACQUISITION FUNDS.*

3 SECTION 27.5. Of the funds appropriated in this act for passenger rail
4 service in Western North Carolina, the Department of Transportation may use these
5 funds for the following purposes:

6 (1) Up to two hundred thousand dollars (\$200,000) during the 2001-2002
7 fiscal year may be used to contract with Amtrak to provide thruway
8 bus service for western North Carolina. These funds may only be used
9 for operations and may not be used for the purchase of equipment or
10 for making infrastructure improvements.

11 (2) Up to three hundred twenty thousand dollars (\$320,000) during the
12 2001-2002 fiscal year may be used to acquire right-of-way for stations
13 in the Town of Valdese and the City of Asheville.

14 The Department of Transportation shall report to the Joint Legislative Transportation
15 Oversight Committee by March 15, 2002 on the status of negotiations with the Norfolk
16 Southern Corporation on needed track improvements and on the status of negotiations
17 with local governments on local financial participation to provide passenger rail service
18 to Western North Carolina.

19 Five hundred twenty thousand dollars (\$520,000) of the remaining unencumbered
20 funds appropriated for the 1998-99 fiscal year for Western North Carolina rail service
21 shall revert.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H12(S27.6)

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 ***HIGHWAY TRUST FUND STUDY COMMITTEE.***

2 **SECTION 27.6.** (a) Study Committee established. -- There is established a
3 Highway Trust Fund Study Committee to report to the Joint Legislative Transportation
4 Oversight Committee.

5 (b) Membership. -- The Study Committee shall be composed of sixteen members
6 as follows:

- 7 (1) The Chairs of the Joint Legislative Transportation Oversight
8 Committee.
- 9 (2) Four Representatives and three public members appointed by the
10 Speaker of the House of Representatives.
- 11 (3) Four Senators and three public members appointed by the President
12 Pro Tempore of the Senate.

13 The appointing authorities shall make each of their seven appointments from a
14 different Distribution Region, as defined in G.S. 136-17.2A(a), and their appointments
15 shall reflect the urban-rural diversity of the population of the State.

16 (c) Duties of the Study Committee. -- The Committee may study all aspects of
17 the Highway Trust Fund. The study shall include the examination of all the following:

- 18 (1) The current status, cost estimates, and feasibility of Highway Trust
19 Fund projects currently listed in Article 14 of Chapter 136 of the
20 General Statutes.
- 21 (2) Unanticipated problems with the structure of the Highway Trust Fund.
- 22 (3) The gap between transportation funding structures and the actual
23 transportation needs of the State.
- 24 (4) Allocation issues raised by the structure of the transportation funding
25 equity distribution formula in G.S. 136-17.2A.
- 26 (5) The feasibility of altering the project eligibility requirements of the
27 Highway Trust Fund
- 28 (6) The feasibility of altering the funding allocation structure of the
29 Highway Trust Fund
- 30 (7) Any other issue related to the Highway Trust Fund or transportation
31 funding.

32 (d) Vacancies. -- The appointing authority shall fill any vacancy on the Study
33 Committee.

1 (e) Cochairs. -- Cochairs of the Study Committee shall be the cochairs of the
2 Joint Legislative Transportation Oversight Committee. The Study Committee shall meet
3 upon the call of the Chairs. A quorum of the Study committee shall be eight members.

4 (f) Expenses of Members. -- Members of the Study Committee shall receive per
5 diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or
6 138-6, as appropriate.

7 (g) Staff. -- The Legislative Services Office shall assign professional and clerical
8 staff to the assist the Study Committee in its work.

9 (h) Consultants. -- The Study Committee may hire consultants to examine
10 specific issues and subjects related to the study, in accordance with G.S. 120-32.02.

11 (i) Meetings During Legislative Session. -- The Study Committee may meet
12 during a regular or extra session of the General Assembly, subject to approval of the
13 Speaker of the House of Representatives and the President Pro Tempore of the Senate.

14 (j) Meeting Location. -- The Study Committee may meet at various locations
15 around the State in order to promote greater public participation in its deliberations. The
16 Legislative Services Commission shall grant adequate meeting space to the Study
17 Committee in the State Legislative Building or the Legislative Office Building.

18 (k) Report. -- The report of the study shall be made to Joint Legislative
19 Transportation Oversight Committee no later than April 1, 2002. Upon the filing of its
20 final report, the Study Committee shall terminate.

21 (l) Funding. -- The Study Committee shall be funded from funds available to the
22 Joint Legislative Transportation Oversight Committee, in accordance with G.S.
23 120-70.52.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H13(S27.7)

Department of Transportation
Charlotte Downtown Intermodal Station

Requested by: Representatives Cole, Crawford

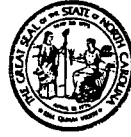
1 ***CHARLOTTE DOWNTOWN INTERMODAL STATION.***

2 **SECTION 27.7.** The Department of Transportation shall report to the Joint
3 Legislative Transportation Oversight Committee by February 15, 2002 on the status of
4 the development of the downtown intermodal station in Charlotte. The report shall
5 include (i) the total cost, projected schedule, and scope of the project, (ii) how the costs
6 of the project will be met, including the shares of the costs borne by: the State of North
7 Carolina, participating local governments, federal funds, the Norfolk Southern
8 Corporation, private funding, and any other sources of funds, and (iii) identification of
9 at least three parcels of land that could be purchased for the station.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H14(S27.8)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *DIVISION 3 HEADQUARTERS COMPLEX FUNDS*

2 SECTION 27.8. The requirement in Section 27.14 of S.L. 1999-237 that the
3 Highway Fund reimburse the Highway Trust Fund by June 30, 2004, for the capital
4 costs required to relocate the Division 3 headquarters complex in Wilmington, North
5 Carolina, is rescinded.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H15(S27.9)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ACCEPT*
2 *ELECTRONIC BIDS*

3 SECTION 27.9.(a) G.S. 136-28.1 is amended by adding a new subsection to
4 read:

5 "(k) The Department of Transportation may accept bids under this section by
6 electronic means and may issue rules governing the acceptance of these bids. For
7 purposes of this subsection 'electronic means' is defined as means relating to technology
8 having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar
9 capabilities."

10 SECTION 27.9.(b) G.S. 136-28.1(a) reads as rewritten:

11 "(a) All contracts over eight hundred thousand dollars (\$800,000) that the
12 Department of Transportation may let for construction or repair necessary to carry out
13 the provisions of this Chapter shall be let to a responsible bidder after public advertising
14 under rules and regulations to be made and published by the Department of
15 Transportation. The right to reject any and all bids shall be reserved to the Board of
16 Transportation.

17 Contracts for construction or repair for federal aid projects entered into pursuant to
18 this section shall not contain the standardized contract clauses prescribed by 23 U.S.C. §
19 112(e) and 23 C.F.R. § 635.131(a) for differing site conditions, suspensions of work
20 ordered by the ~~engineer-engineer~~, or significant changes in the character of the work.
21 For those federal aid projects, the ~~The~~ Department of Transportation shall use ~~only the~~
22 contract provisions provided in the North Carolina Department of Transportation,
23 Standard Specifications for Roads and Structures, January 1, 1984, except as each may
24 be changed or provided for by rule adopted by the Board of Transportation in
25 accordance with the Administrative Procedure Act."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H16(S27.10)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by:

1 *DEPARTMENT OF TRANSPORTATION AUTHORIZED TO ESTABLISH AN*
2 *ESCORT DRIVER CERTIFICATION PROGRAM*

3 SECTION 27.10. G.S. 20-119 is amended by adding a new subsection to
4 read:

5 "(f) The Department of Transportation shall issue rules to establish an escort
6 driver training and certification program for escort vehicles accompanying
7 oversize/overweight loads. Any driver operating a vehicle escorting an
8 oversize/overweight load shall meet any training requirements and obtain certification
9 under the rules issued pursuant to this subsection. These rules may provide for
10 reciprocity with other states having similar escort certification programs. Certification
11 credentials for the driver of an escort vehicle shall be carried in the vehicle and be
12 readily available for inspection by law enforcement personnel."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H17(S27.11)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 ***TRANSFER RESPONSIBILITIES OF GOVERNOR'S HIGHWAY SAFETY***
2 ***PROGRAM TO THE OFFICE OF THE SECRETARY OF TRANSPORTATION.***

3 SECTION 27.11.(a) G.S. 143B-360 reads as rewritten:

4 "§ 143B-360. Powers and duties of Department and Secretary.

5 The Department of Transportation is hereby empowered to contract ~~in~~on behalf of
6 the State with the government of the United States to the extent allowed by the laws of
7 North Carolina for the purpose of securing the benefits available to this State under the
8 Federal Highway Safety Act of 1966. To that end, the Secretary of Transportation shall
9 coordinate, with the Governor's approval, the activities of any and all departments and
10 agencies of the State and its subdivisions relating thereto.

11 All of the duties and responsibilities of the Governor's Highway Safety Program,
12 established pursuant to this section, are transferred to the Office of the Secretary of
13 Transportation."

14 SECTION 27.11.(b) This section becomes effective July 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H22(S27.14)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

- 1 *DRIVERS LICENSE/MOTOR VEHICLE REGISTRATION SECTION*
- 2 *CONSOLIDATION STUDY*
- 3 SECTION 27.14. The Department of Transportation shall study the
- 4 consolidation and integration of the functions of the Driver License Section and the
- 5 Vehicle Registration Section of the Division of Motor Vehicles to provide more
- 6 accessible, efficient, and cost-effective service to the public. The Department of
- 7 Transportation shall report the results of this study to the Joint Legislative
- 8 Transportation Oversight Committee by March 1, 2002.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H23(S27.15)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION TO FUND*
2 *AVIATION GRANTS*

3 SECTION 27.15. Notwithstanding the provisions of G.S. 136-16.4 for
4 determining the amount of continuing aviation appropriations, there is appropriated
5 from the General Fund to the Department of Transportation the sum of seven million
6 two hundred fifty thousand dollars (\$7,250,000) for the 2001-2002 fiscal year to fund
7 aviation grants.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H5(S27.17)

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *DOT REGULATION OF THE TRANSIT OF MODULAR HOMES*

2 SECTION 27.17.(a) G.S. 20-356 reads as rewritten:

3 "§ 20-356. Definitions.

4 "Person" as used in this Article shall mean an individual, corporation, partnership,
5 association or any other business entity. The word "house" as used in this Article shall
6 mean a dwelling, building, or other structure in excess of 14 feet in ~~width.~~ width;
7 provided that neither mobile homes, nor modular homes or portions thereof, are within
8 this definition when being transported from the manufacturer to the first set-up site. The
9 word "Department" as used in this Article shall mean the North Carolina Department of
10 Transportation."

11 SECTION 27.17.(b) G.S. 150B-21.1 is amended by adding a new
12 subsection to read:

13 "(a8) Notwithstanding the provisions of subsection (a) of this section, the
14 Secretary of Transportation may adopt temporary rules concerning the permitted height
15 of mobile and modular homes. After having the proposed temporary rule published in
16 the North Carolina Register and at least 30 days prior to adopting a temporary rule
17 pursuant to this subsection, the Secretary shall:

18 (1) Notify persons on its mailing list maintained pursuant to G.S. 150B-
19 21.2(d) and any other interested parties of its intent to adopt a
20 temporary rule.

21 (2) Accept oral and written comments on the proposed temporary rule.

22 (3) Hold at least one public hearing on the proposed temporary rule.

23 When the Secretary adopts a temporary rule pursuant to this subsection, the
24 Secretary must submit a reference to this subsection as the Secretary's statement of need
25 to the Codifier of Rules.

26 Notwithstanding any other provision of this Chapter, the Codifier of Rules shall
27 publish in the North Carolina Register a proposed temporary rule received from the
28 Secretary in accordance with this subsection."

29 SECTION #. 27.17.(c) Subsection (b) of this section expires on June 30,
30 2003.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H25(S27.19)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 *AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL TRANSPARK*
2 *AIRPORT*

3 SECTION 27.19. The Department of Transportation's Aviation Division
4 shall study the transfer of the Global TransPark airport fixed assets and operations from
5 the Global TransPark Authority to another appropriate entity. The Aviation Division
6 shall report the results of this study to the Joint Legislative Transportation Oversight
7 Committee by December 15, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H26(S27.20)i

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 *STATE BOARD OF COMMUNITY COLLEGES TO STUDY TRANSFER OF*
2 *GLOBAL TRANSPARK EDUCATION AND TRAINING CENTER*
3 SECTION 27.20. The State Board of Community Colleges shall study the
4 transfer of the Education and Training Center from the Global TransPark Authority to
5 an appropriate public educational entity. The State Board of Community Colleges shall
6 report the results of the study to the Joint Legislative Transportation Oversight
7 Committee by December 15, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H3

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representative Sutton

1 **CONTRACT AGENT RATE INCREASE**

2 SECTION #. G.S. 20-63(h) reads as rewritten:

3 "(h) Commission Contracts for Issuance of Plates and Certificates. – All
4 registration plates, registration ~~certificates~~ certificates, and certificates of title issued by
5 the Division, outside of those issued from the Raleigh offices of the said Division and
6 those issued and handled through the United States mail, shall be issued insofar as
7 practicable and possible through commission contracts entered into by the Division for
8 the issuance of ~~such~~ the plates and certificates in localities throughout North Carolina
9 with persons, firms, corporations or governmental subdivisions of the State of North
10 ~~Carolina and the Carolina.~~ The Division shall make a reasonable effort in every locality,
11 except as ~~hereinbefore noted,~~ noted above, to enter into a commission contract for the
12 issuance of ~~such~~ the plates and certificates and a record of these efforts shall be
13 maintained in the Division. In the event the Division is unsuccessful in making
14 ~~commission contracts as hereinbefore set out~~ contracts, it shall ~~then~~ issue ~~said~~ the plates
15 and certificates through the regular employees of the Division. Whenever registration
16 plates, registration ~~certificates~~ certificates, and certificates of title are issued by the
17 Division through commission contract arrangements, the Division shall provide proper
18 supervision of ~~such~~ the distribution. ~~Commission contracts entered under this subsection~~
19 ~~shall provide for the payment of compensation for all transactions as set forth below.~~
20 Nothing contained in this subsection will allow or permit the operation of fewer outlets
21 in any county in this State than are now being operated.

22 Commission contracts entered into by the Division under this subsection shall
23 provide for the payment of compensation on a per transaction basis. The collection of
24 the highway use tax shall be considered a separate transaction for which one dollar and
25 twenty-seven cent (\$1.27) compensation shall be paid. The performance at the same
26 time of one or more of the remaining transactions listed in this subsection shall be
27 considered a single transaction for which one dollar and forty-three cent (\$1.43)
28 compensation shall be paid.

29 A transaction is any of the following activities:

- 30 (1) Issuance of a registration plate, a registration card, a registration
31 renewal sticker, or a certificate of title.
32 (2) Issuance of a handicapped placard or handicapped identification card.
33 (3) Acceptance of an application for a personalized registration plate.
34 (4) Acceptance of a surrendered registration plate, registration card, or
35 registration renewal sticker, or acceptance of an affidavit stating why a

1 person cannot surrender a registration plate, registration card, or
2 registration renewal sticker.

- 3 (5) Cancellation of a title because the vehicle has been junked.
4 (6) Acceptance of an application for, or issuance of, a refund for a fee or a
5 tax, other than the highway use tax.
6 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
7 financial responsibility or receipt of the restoration fee imposed by that
8 statute.
9 (8) Acceptance of a notice of failure to maintain financial responsibility
10 for a motor vehicle.
11 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
12 (8b) Sale of one or more inspection stickers in a single transaction to a
13 licensed inspection station.
14 (9) Collection of the highway use tax.
15 (10) Acceptance of a temporary lien filing.

16 ~~Performance at the same time of any combination of the items that are listed within~~
17 ~~each subdivision or are listed within subdivisions (1) through (8b) of this section is a~~
18 ~~single transaction for which a dollar and thirty five cent (\$1.35) compensation shall be~~
19 ~~paid. Performance of the item listed in subdivision (9) of this subsection in combination~~
20 ~~with any other items listed in this subsection is a separate transaction for which a one~~
21 ~~dollar and twenty cent (\$1.20) compensation shall be paid."~~
22

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H6

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, Crawford

1 *ISSUANCE OF TEMPORARY RULES GOVERNING MINIMUM CRITERIA*
2 *TRANSPORTATION PROJECTS.*

3 SECTION #. (a) G.S. 150B-21.1(a6) reads as rewritten:

4 "(a6) Reserved for future codification purposes. Notwithstanding the provisions of
5 subsection (a) of this section, the Secretary of Transportation may adopt temporary rules
6 pursuant to G.S. 113A-11(b) to establish a class of minimum criteria projects.

7 After having the proposed temporary rule published in the North Carolina Register,
8 and at least 30 days prior to adopting a temporary rule pursuant to this subsection, the
9 Secretary shall do all of the following:

- 10 (1) Notify persons on its mailing list, maintained pursuant to G.S. 150B-
11 21.2(d), and any other interested parties, of his intent to adopt a
12 temporary rule.
13 (2) Accept oral and written comments on the proposed temporary rule.
14 (3) Hold at least one public hearing on the proposed temporary rule.

15 When the Secretary adopts a temporary rule pursuant to this subsection, the Secretary
16 shall submit a reference to this subsection as the Secretary's statement of need to the
17 Codifier of Rules.

18 Notwithstanding any other provision of this Chapter, the Codifier of Rules shall
19 publish in the North Carolina Register a proposed temporary rule received from the
20 Secretary in accordance with this subsection."

21 SECTION #. (b) Subsection (a) of this section expires on June 30, 2003.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H28

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 **DEPARTMENT OF TRANSPORTATION CASH FLOW MANAGEMENT**

2 SECTION #. (a) The Department of Transportation is directed to reorganize
3 its cash management procedures consistent with the March 2001 Joint Legislative
4 Transportation Oversight Committee Cash Management Study final report.

5 The Department is directed to:

- 6 (1) Utilize cash flow financing to the maximum extent possible to fund
7 highway construction projects, with the goal of reducing the combined
8 average daily cash balance of the Highway Trust Fund and the
9 Highway Fund to an amount equal to twelve percent (12%) of
10 combined estimate of the yearly receipts of the Funds, exclusive of
11 municipal aid funds.
- 12 (2) Establish necessary management controls to facilitate use of cash flow
13 financing, such as establishment of a financial planning committee,
14 development of a monthly financial report, establishment of
15 appropriate fund cash level targets, review of revenue forecasting
16 procedures, and reduction of accrued unbilled costs.
- 17 (3) Strengthen the project delivery process by reorganization of
18 preconstruction functions in order to expedite project delivery and
19 maximize use of cash flow financing of projects. The Department shall
20 designate one person responsible for project delivery, develop project
21 delivery reports, and continually assess which projects can be
22 accelerated using cash flow financing.
- 23 (4) Report quarterly for a period of two years, beginning in September
24 2001, to the Joint Legislative Transportation Oversight Committee on
25 its efforts to reorganize the cash management and project delivery
26 process, and the results of those efforts.

27 SECTION #. (b) Article 6A of the General Statutes is amended by adding a
28 new section to read:

29 **§ 147-86.15 Cash Management of the Highway Fund and the Highway Trust**
30 **Fund.**

31 The State Treasurer may combine the balances of the Highway Fund and the
32 Highway Trust Fund for cash management purposes. The State Treasurer may make
33 short term loans between the Funds to accomplish the purposes of this section."

34 SECTION #. (c) The Department of Transportation and the State Treasurer
35 are directed to jointly:

- 1 (1) Evaluate the recommendations of the March 2001 Joint Legislative
2 Transportation Oversight Committee Cash Management Study final
3 report concerning authorization for the State Treasurer to borrow funds
4 on a short term basis in order to allow the Department of
5 Transportation to maintain lower target cash balances and expedite
6 highway construction projects;
- 7 (2) Develop recommendations concerning short term borrowing for cash
8 management purposes, including any needed legislation, and
- 9 (3) Submit findings and recommendations to the Joint Legislative
10 Transportation Oversight Committee by February 1, 2002.

11 **SECTION #. (d)** G.S. 136-176 is amended by adding a new subsection to
12 read:

13 "(a1) The Department may use two hundred million dollars (\$200,000,000) in fiscal
14 year 2001-2002 and one hundred fifty million dollars (\$150,000,000) in each fiscal year
15 2002-2003 and 2003-2004 of the cash balance of the Highway Trust Fund for the
16 following purposes:

- 17 (1) For primary route pavement preservation. – One hundred seventy
18 million dollars (\$170,000,000) in fiscal year 2001-2002, and one
19 hundred twenty million (\$120,000,000) in each of the fiscal years
20 2002-2003 and 2003-2004.
- 21 (2) For preliminary engineering costs not included in the current year
22 Transportation Improvement Plan. – Fifteen million dollars
23 (\$15,000,000) in each of the fiscal years 2001-2002, 2002-2003, and
24 2003-2004.
- 25
- 26 (3) For computerized traffic signal systems and signal optimization
27 projects. -- Fifteen million dollars (\$15,000,000) in each of the fiscal
28 years 2001-2002, 2002-2003, and 2003-2004."

29 **SECTION #. (e)** G.S. 136-176 is amended by adding a new subsection to
30 read:

31 "(a2) The Department shall certify to the Joint Legislative Transportation Oversight
32 Committee each year, on or before November 1, that use of the Highway Trust Fund
33 cash balances for these purposes will not adversely affect the delivery schedule of
34 Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H29

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 **STATE TIRE RETREADING CONTRACT**

2 SECTION #. The Purchase and Contract Division of the Department of
3 Administration shall take steps to insure that the bid process for the State contract for
4 tire retreading is fair and open and that it complies with State purchasing laws.

5 Before soliciting bids, the Purchase and Contract Division shall:

- 6 (1) Research technologies for tire retreading and tire retread testing to
7 determine which technologies are most consistent with State needs and
8 safety requirements.
- 9 (2) Circulate proposed specifications for the retread tire contract to tire
10 retread vendors, tire retreading industry associations, and State users of
11 retread tires.
- 12 (3) Solicit comments and feedback from the entities listed in subdivision
13 (2) of this section.
- 14 (4) Provide a copy of the final specifications for the retread tire contract to
15 the Joint Legislative Transportation Oversight Committee at least six
16 weeks prior to soliciting bids.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H30

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 *STATE HIGHWAY PATROL TO REPORT TO LEGISLATIVE OVERSIGHT*
2 *COMMITTEES ON BUDGETARY MATTERS.*

3 SECTION #. The State Highway Patrol shall report to the Joint Legislative
4 Transportation Oversight Committee and to the Joint Legislative Corrections, Crime
5 Control, and Juvenile Justice Oversight Committee on its revenues, expenditures, and
6 other budget related matters. These financial reports shall be made in writing to the
7 cochairs of the oversight committees and to the Fiscal Research Division by November
8 15, February 15, May 15, and August 15 of each year to be taken up, if necessary, at the
9 next meetings of the oversight committees following those dates.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H31

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford, Nesbitt

1 *LEGISLATIVE RESEARCH COMMISSION TO STUDY NONBETTERMENT*
2 *UTILITY RELOCATION COSTS IN HIGHWAY CONSTRUCTION*

3 SECTION #. The Legislative Research Commission may study the issue of
4 nonbetterment utility relocation costs. As a part of its study, the LRC shall consider all
5 of the following:

- 6 (1) The current statutory procedure for allocation of relocation costs,
7 found in G.S. 136-27.1.
8 (2) The current population ceiling of 5,500 for municipalities to receive
9 utility relocation assistance from the Department of Transportation,
10 and the appropriateness of this ceiling.
11 (3) The history of exceptions to the general policy on the nonpayment by
12 the Department of Transportation for nonbetterment utility relocation
13 costs and the rationales for these exceptions.
14 (4) The development of a rational and equitable policy for the payment for
15 nonbetterment utility relocation costs.
16 (5) Any other issue related to nonbetterment utility relocation costs.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H35

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford, Redwine

1 *DEPARTMENT OF TRANSPORTATION TO EVALUATE THE LOCATIONS OF*
2 *PROPOSED PUBLIC AND PRIVATE SCHOOLS TO ENHANCE TRAFFIC*
3 *OPERATIONS AND SAFETY*

4 SECTION #. G.S. 136-18 reads as rewritten:

5 "§ 136-18. Powers of Department of Transportation.

6 The said Department of Transportation shall be vested with the following powers:

7 ...

8 (29a) To coordinate with all public and private entities planning schools to
9 provide written recommendations and evaluations of driveway access
10 and traffic operational and safety impacts on the State highway system
11 resulting from the development of the proposed sites. All public and
12 private entities shall, prior to acquiring land for a new school,
13 relocating a school, or expanding an existing school, coordinate with
14 the Department to obtain a written evaluation and written
15 recommendations to insure that all proposed access points comply with
16 the criteria in the current North Carolina Department of Transportation
17 'Policy on Street and Driveway Access.' The Department shall provide
18 the written evaluation and recommendations within a reasonable
19 period of time."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H36

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford, Bowie

1 *REGIONAL PUBLIC TRANSPORTATION AUTHORITY CAPITAL RESERVE*
2 *FUND ACCUMULATION*

3 SECTION #. G.S. 160A-613 is amended by adding a new subsection to
4 read:

5 "(c) Notwithstanding any provision of G.S. 159-18, the Board of Trustees may
6 accumulate moneys from any source authorized by this Article or by Article 50 of
7 Chapter 105 of the General Statutes in a capital reserve fund for any authorized purpose
8 of the Authority. Notwithstanding any provision of G.S. 159-19 or G.S. 159-22, the
9 Board of Trustees may, by amendment to the resolution establishing a capital reserve
10 fund, withdraw moneys accumulated in a fund for non-capital purposes if the capital
11 outlay purpose for which the fund was created is not longer viable, as determined by a
12 majority of the Board of Trustees. Except as otherwise provided in this subsection, the
13 provisions of Part 2 of Article 3 of Chapter 159 of the General Statutes shall control the
14 establishment of capital reserve funds by the Authority."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2001-TRANS-H37

Department of Transportation
House Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 *NORTH CAROLINA RAILROAD FUNDS*

2 SECTION #. Of funds appropriated to the Department of Transportation
3 Public Transportation Division for new start projects for fiscal year 2001-2002, up to
4 one million dollars (\$1,000,000) shall be used by the Department for projects designated
5 by the North Carolina Railroad Board of Directors.

6 SECTION #. Of funds appropriated to the Department of Transportation
7 Rail Division for fiscal year 2001-2002, up to five million three hundred thousand
8 dollars (\$5,300,000) shall be used by the Department for projects designated by the
9 North Carolina Railroad Board of Directors.

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)
Sent: Thursday, August 23, 2001 2:32 PM
Subject: Approp/Trans Meeting Notice

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Tuesday, August 28, 2001
TIME: 1:00 pm
LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):
**HB 644 TOLL ROAD AND BRIDGE AUTHORITY CREATED
INFORMATIONAL MEETING ONLY - NO VOTE**

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **2:00 pm** on **August 23, 2001**.

____Principal Clerk
____Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

August 28, 2001

1:00 p.m.

Room 1228 LB

The House Appropriations Subcommittee on Transportation met on August 28, 2001 at 1:00 p.m. in room 1228 of the Legislative Building. Representative Nelson Cole chaired the meeting. A visitor registration sheet is attached and made part of these minutes. The following members were present:

Rep. Nelson Cole
Rep. Jim Crawford
Rep. Joanne Bowie
Rep. Bobby Barbee

Rep. Lorene Coates
Rep. Jim Gulley
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Cole called the meeting to order. The first order of business was a motion by Rep. Sutton to adopt the proposed committee substitute for HB 644 TOLL ROAD AND BRIDGE AUTHORITY CREATED. The motion carried and discussion followed. See handout #1 for copy of proposed committee substitute.

Representative Crawford went over the summary of the bill as outlined in handout #2, bill analysis for HB 644. He then went over the changes for this version of HB 644 as indicated in handout #3. Discussion then followed. A fiscal note of the bill, handout #4, is also attached.

Representative Sutton asked that the language be changed to reflect that the money taken out of the Highway Trust Fund be put back within a reasonable amount of time. Discussion followed.


Giles Perry, legislative staff attorney, then gave the amendment which is that the NC Turnpike Authority will repay DOT any money taken out of the Highway Trust Fund for project development as soon as possible and if it were not paid within one year after the collection of tolls began that interest would accrue on that money. Representative Cole indicated that since this meeting is for information purposes only that there will not be a vote taken on the bill. For the sake of the amendment, the chair asked for a vote to be taken on Representative Sutton's amendment to the proposed committee substitute that is being prepared by staff. The motion carried and the amendment will be incorporated in the bill and reported back.

The chair asked if any visitors present would like to make any comments. Jane Pinsky with AAA Carolinas spoke against the bill. She indicated that their members would not support a toll road in North Carolina and felt like a lot of the citizens would feel the same way.

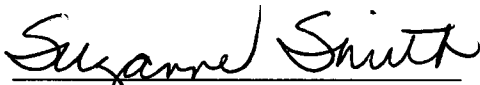
Appropriations Subcommittee on Transportation
August 28, 2001
Page 2

There being no further business, the meeting was adjourned at 1:30 p.m.

Respectfully submitted:



Representative Nelson Cole
Co-chairman



Suzanne Smith
Legislative Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 644
Committee Substitute Favorable 6/18/01
Committee Substitute # 2 Favorable 8/13/01
Fourth Edition Engrossed 8/16/01
PROPOSED COMMITTEE SUBSTITUTE H644-CSRW-51 [v.7]

8/27/2001 2:55:40 PM

Short Title: Toll Road and Bridge Authority Created. (Public)

Sponsors:

Referred to:

March 15, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE PUBLIC TOLL ROADS AND BRIDGES IN NORTH
3 CAROLINA AND THE CREATION OF A TURNPIKE AUTHORITY.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 136 of the General Statutes is amended by adding a
6 new Article to read:

7 "Article 6H.
8 "Public Toll Roads and Bridges.

9 "§ 136-89.180. Legislative findings.

10 The General Assembly finds that the existing State road system is becoming
11 increasingly congested and overburdened with traffic in many areas of the State; that the
12 sharp surge of vehicle miles traveled is overwhelming the State's ability to build and
13 pay for adequate road improvements; and that an adequate answer to this challenge will
14 require the State to be innovative and utilize several new approaches to transportation
15 improvements in North Carolina.

16 Toll funding of highway construction is feasible in North Carolina and can
17 contribute to addressing the critical transportation needs of the State. A toll program can
18 speed the implementation of needed transportation improvements by funding some
19 projects with tolls.

20 "§ 136-89.181. Definitions.

21 The following definitions apply to this Article:

- 22 (1) "Turnpike Authority" means the public agency created by this Article.
- 23 (2) "Turnpike Authority Board" means the governing board of the
24 Turnpike Authority.
- 25 (3) "Turnpike Project" means any primary or secondary road, bridge, or
26 tunnel project that is included in the Transportation Improvement

1 Program prior to construction, and is planned and constructed in
2 accordance with the provisions of this Article.

3 (4) "Turnpike System" means collectively all Turnpike Projects developed
4 in accordance with the provisions of this Article.

5 **§ 136-89.182. North Carolina Turnpike Authority.**

6 (a) Creation. – There is created a body politic and corporate to be known as the
7 "North Carolina Turnpike Authority." The Authority is constituted as a public agency,
8 and the exercise by the Authority of the powers conferred by this Article in the
9 construction, operation, and maintenance of toll roads and bridges shall be deemed and
10 held to be the performance of an essential governmental function.

11 (b) Administrative Placement. – The Authority shall be located within the
12 Department of Transportation for administrative purposes but shall exercise all of its
13 powers independently of the Department of Transportation except as otherwise
14 specified in this Article.

15 (c) Board of Directors. – The North Carolina Turnpike Authority shall be
16 governed by a seven-member Board of Directors consisting of the Secretary of
17 Transportation and six members appointed by the Governor. One Authority member
18 shall reside in each of the seven regions of the State specified in G.S. 136-17.2A(a). The
19 Chair of the Authority shall be selected by the Board of Directors.

20 (d) Board of Transportation Members. – Not more than two members of the
21 North Carolina Board of Transportation may serve as members of the Authority Board.

22 (e) Staggered Terms. – The initial appointments by the Governor to the Authority
23 Board shall consist of three members appointed to terms ending January 14, 2003, and
24 three members appointed to terms ending January 14, 2005. Thereafter, at the expiration
25 of each stipulated term of office, all appointments shall be to a term of four years from
26 the date of the expiration of the term.

27 (f) Vacancies. – All members of the Authority Board shall remain in office until
28 their successors are appointed and qualify. The Governor may appoint a member to
29 serve out the unexpired term of any member appointed by the Governor.

30 (g) Removal of Board Members. – Each member of the Authority Board
31 appointed by the Governor, notwithstanding subsection (e) of this section, shall serve at
32 the pleasure of the Governor. The Chair of the Authority serves at the pleasure of the
33 Authority Board.

34 (h) Conflicts of Interest, Ethics, Etc. – Members of the Authority Board shall be
35 subject to provisions of G.S. 136-13, 136-13.1, and 136-14.

36 (i) Compensation. – The appointed members of the Authority Board shall
37 receive no salary for their services but shall be entitled to receive per diem and travel
38 allowances in accordance with the provisions of G.S. 138-5 and G.S. 138-6 as
39 appropriate.

40 (j) Bylaws. – The Authority Board shall adopt, change, or amend bylaws with
41 respect to the calling of meetings, quorums, voting procedures, the keeping of records,
42 and other organizational, staffing, and administrative matters as the Authority Board

1 may determine. Any bylaws, or subsequent changes or amendments to the bylaws, shall
2 be submitted to the Board of Transportation and the Joint Legislative Transportation
3 Oversight Committee for review and comment at least 45 days prior to adoption by the
4 Authority Board.

5 (k) Executive Director and Administrative Employees. – The Authority Board
6 shall appoint an Executive Director, whose salary shall be fixed by the Authority, to
7 serve at its pleasure. The Executive Director shall be the Authority's chief
8 administrative officer and shall be responsible for the daily administration of the toll
9 roads and bridges constructed, maintained, or operated pursuant to this Article. The
10 Executive Director or his designee shall appoint, employ, dismiss, and within the limits
11 approved by the Authority Board, fix the compensation of administrative employees as
12 the Executive Director deems necessary to carry out this Article. The Authority shall
13 report the hiring of all administrative employees to the Joint Legislative Transportation
14 Oversight Committee within 30 days of the date of employment.

15 (l) Office. – The offices of the Authority may be housed in one or more facilities
16 of the Department of Transportation.

17 **"§ 136-89.183. Powers of the Authority.**

18 (a) The Authority shall have all of the powers necessary to execute the provisions
19 of this Article including the following:

- 20 (1) The powers of a corporate body, including the power to sue and be
21 sued, to make contracts, to adopt and use a common seal, and to alter
22 the adopted seal as needed.
- 23 (2) To study, plan, develop, design, establish, purchase, construct, operate,
24 and maintain a Turnpike Project, either on its own initiative or at the
25 request of the Board of Transportation.
- 26 (3) To rent, lease, purchase, acquire, own, encumber, dispose of, or
27 mortgage real or personal property, including the power to acquire
28 property by eminent domain pursuant to G.S. 136-89.184.
- 29 (4) To fix, revise, charge, and collect tolls and fees for the use of the
30 Turnpike Projects. Sixty days prior to the effective date of any toll or
31 fee for use of a Turnpike Facility, the Authority shall submit a
32 description of the proposed toll or fee to the Board of Transportation
33 for review.
- 34 (5) To issue bonds or notes of the Authority as provided in this Article.
- 35 (6) To establish, construct, purchase, maintain, equip, and operate any
36 structure or facilities associated with the Turnpike System.
- 37 (7) To pay all necessary costs and expenses in the formation, organization,
38 administration, and operation of the Authority.
- 39 (8) To apply for, accept, and administer loans and grants of money or real
40 or personal property from any federal agency, from the State or its
41 political subdivisions, local government, or from any other public or
42 private sources available.

1 (9) To adopt, alter, or repeal its own bylaws or rules implementing the
2 provisions of this Article, in accordance with the review and comment
3 requirements of G.S. 136-89.182(j).

4 (10) To utilize employees of the Department of Transportation; to contract
5 for the services of consulting engineers, architects, attorneys, real
6 estate counselors, appraisers, and other consultants; to employ
7 administrative staff as may be required in the judgment of the
8 Authority; and to fix and pay fees or compensation to the Department,
9 contractors, and administrative employees from funds available to the
10 Authority.

11 (11) To receive and use appropriations from the State.

12 (12) To adopt procedures to govern its procurement of services and
13 delivery of Turnpike Projects.

14 (13) To perform or procure any portion of services required by the
15 Authority.

16 (14) To use officers, employees, agents, and facilities of the Department of
17 Transportation for the purposes and upon the terms as may be mutually
18 agreeable.

19 (15) To contract for the construction, maintenance, and operation of a
20 Turnpike Project.

21 (16) To enter into partnership agreements, agreements with political
22 subdivisions of the State, and agreements with private entities, and to
23 expend such funds as it deems necessary, pursuant to such agreements,
24 for the purpose of financing the cost of acquiring, constructing,
25 equipping, operating, or maintaining any Turnpike Project.

26 (b) To execute the powers provided in subsection (a) of this section, the
27 Authority shall determine its policies by majority vote of the members of the Authority
28 present and voting, a quorum having been established. Once a policy is established, the
29 Authority Board shall communicate it to the Executive Director or the Director's
30 designee, who shall have the sole and exclusive authority to execute the policy of the
31 Authority. No member of the Authority Board shall have the responsibility or authority
32 to give operational directives to any employee of the Authority other than the Executive
33 Director or the Director's designee.

34 **"§ 136-89.184. Acquisition of real property.**

35 (a) General. – The Authority may acquire public or private real property by
36 purchase, negotiation, gift, or devise, or condemnation that it determines to be necessary
37 and convenient for the construction, expansion, enlargement, extension, improvement,
38 or operation of a Turnpike Project. When the Authority acquires real property owned by
39 the State, the Secretary of the Department of Administration shall execute and deliver to
40 the Authority a deed transferring fee simple title to the property to the Authority.

1 (b) Condemnation. – To exercise the power of eminent domain, the Authority
2 shall commence a proceeding in its name and shall follow the procedure set forth in
3 Article 9 of Chapter 136 of the General Statutes.

4 **"§ 136-89.185. Taxation of property of Authority.**

5 Property owned by the Authority is exempt from taxation in accordance with Section
6 2 of Article V of the North Carolina Constitution.

7 **"§ 136-89.186. Audit.**

8 The operations of the Authority shall be subject to the oversight of the State Auditor
9 pursuant to Article 5A of Chapter 147 of the General Statutes.

10 **"§ 136-89.187. Conversion of free highways prohibited.**

11 The Authority Board is prohibited from converting any segment of the non-tolled
12 State highway system to a toll facility.

13 **"§ 136-89.188. Use of revenues.**

14 (a) Revenues derived from Turnpike Projects authorized under this Article shall
15 only be used for Authority administration costs; Turnpike Project development,
16 construction, operation, and maintenance; and debt service on the Authority's revenue
17 bonds.

18 (b) The Authority may use up to one hundred percent (100%) of the revenue
19 derived from a Turnpike Project for debt service on the Authority's revenue bonds or for
20 a combination of debt service and operation and maintenance expenses of the Turnpike
21 Projects.

22 (c) The Authority shall use not more than five percent (5%) of total revenue
23 derived from all Turnpike Projects for Authority administration costs.

24 **"§ 136-89.189. Turnpike Authority revenue bonds.**

25 The Authority shall be a municipality for purposes of Article 5 of Chapter 159 of the
26 General Statutes, the State and Local Government Bond Act, and may issue revenue
27 bonds pursuant to that Act to pay all or a portion of the cost of a Turnpike Project or to
28 refund any previously issued bonds. In connection with the issuance of revenue bonds,
29 the Authority shall have all powers of a municipality under the State and Local
30 Government Revenue Bond Act, and revenue bonds issued by the Authority shall be
31 entitled to the protection of all provisions of the State and Local Government Revenue
32 Bond Act.

33 **"§ 136-89.190. Sale of Turnpike Authority revenue bonds.**

34 Revenue bonds of the Authority issued pursuant to G.S. 136-89.189 and the State
35 and Local Government Revenue Bond Act shall be sold in accordance with and
36 pursuant to Article 7 of Chapter 7 of Chapter 159 of the General Statutes.

37 **"§ 136-89.191. Cost participation by Department of Transportation.**

38 The Department of Transportation may participate in the cost of preconstruction
39 activities, construction, maintenance, or operation of a Turnpike Project.

40 **"§ 136-89.192. Equity distribution formula.**

41 Only those funds applied to a Turnpike Project from the State Highway Fund, State
42 Highway Trust Fund, or federal-aid funds that might otherwise be used for other

1 roadway projects within the State, and are otherwise already subject to the distribution
2 formula under G.S. 136-17.2A, shall be included in the distribution formula.

3 Other revenue from the sale of bonds, project loans, or toll collections shall not be
4 included in the distribution formula.

5 **"§ 136-89.193. Annual plan of work; annual and quarterly reports.**

6 (a) Annual Plan of Work. – The Authority shall annually develop a plan of work
7 for the fiscal year, describing the activities and projects to be undertaken, accompanied
8 by a budget. This annual plan of work shall be subject to the concurrence of the Board
9 of Transportation.

10 (b) Annual Reports. – The Authority shall, promptly following the close of each
11 fiscal year, submit an annual report of its activities for the preceding year to the
12 Governor, the General Assembly, and the Department of Transportation. Each report
13 shall be accompanied by an audit of its books and ~~accounts~~ and accounts.

14 (c) Quarterly Reports. – The Authority shall submit quarterly reports to the Joint
15 Legislative Transportation Oversight Committee. The reports shall summarize the
16 Authority's activities during the quarter and contain any information about the
17 Authority's activities that is requested by the Committee.

18 **"§ 136-89.194. Laws applicable to the Authority; exceptions.**

19 (a) Motor Vehicle Laws. – The Turnpike System shall be considered a
20 "highway" as defined in G.S. 20-4.01(13) and a "public vehicular area" as defined in
21 G.S. 20-4.01(32). All law enforcement and emergency personnel, including the State
22 Highway Patrol and the Division of Motor Vehicles, shall have the same powers and
23 duties on the Turnpike System as on any other highway or public vehicular area.

24 (b) Contracting. – For the purposes of implementing this Article, the Authority
25 shall solicit competitive proposals for the construction of Turnpike Projects in
26 accordance with the provision of Article 2 of this Chapter. Contracts for professional
27 engineering services and other kinds of professional or specialized services necessary in
28 connection with construction of Turnpike Projects shall be solicited in accordance with
29 procedures utilized by the Department of Transportation.

30 (c) Alternative Contracting Methods. – Notwithstanding the provisions of
31 subsection (b) of this section, the Authority may authorize the use of alternative
32 contracting methods if:

33 (1) The authorization applies to an individual project;

34 (2) The Authority has concluded, and documented in writing, that the
35 alternative contracting method is necessary because the project cannot
36 be completed utilizing the procedures of Article 2 of this Chapter
37 within the necessary time frame or available funding or for other
38 reasons the Authority deems in the public interest;

39 (3) The Authority has provided, to the extent possible, for the solicitation
40 of competitive proposals prior to awarding a contract; and

- (4) The approved alternative contracting method provides for reasonable compliance with the disadvantaged business participation goals of G.S. 136-28.4.

"§ 136-89.195. Internet report of funds expended.

The Department shall publish and update annually on its Internet web site a record of all expenditures of the Turnpike Authority for highway construction, maintenance, and administration. The record shall include a total expenditure amount by county. For each Turnpike Project, the record shall include a readily identifiable project name or location, the nature of the project, the amount of the project, the contractor for the project, the date of project letting, and the actual or expected project completion date.

"§ 136-89.196. Removal of tolls.

The Authority shall, upon fulfillment of and subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds, remove tolls from a Turnpike Project.

"§ 136-89.197. Maintenance of non-toll routes.

The Department shall maintain an alternate, non-toll primary route corresponding to each toll road project constructed pursuant to this Article."

SECTION 2. Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-158.2. Control of vehicles on Turnpike System.

The North Carolina Turnpike Authority may control vehicles at appropriate places by erecting traffic control devices to collect tolls."

SECTION 3. G.S. 136-176(b) reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. Operation and project development costs of the North Carolina Turnpike Authority are eligible administrative expenses under this subsection. Any funds allocated to the Authority pursuant to this subsection shall be repaid by the Authority from its toll revenue. The rest of the funds in the Trust Fund shall be allocated and used as follows:

- (1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects.
- (2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-180 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these urban loops.

1 (3) Six and one-half percent (6.5%) to supplement the appropriation to
2 cities for city streets under G.S. 136-181.

3 (4) Six and one-half percent (6.5%) for secondary road construction as
4 provided in G.S. 136-182 and to pay debt service on highway bonds
5 and notes that are issued under the State Highway Bond Act of 1996
6 and whose proceeds are applied to secondary road construction.

7 The Department must administer funds allocated under subdivisions (1), (2), and (4)
8 of this subsection in a manner that ensures that sufficient funds are available to make
9 the debt service payments on bonds issued under the State Highway Bond Act of 1996
10 as they become due."

11 **SECTION 4.** G.S. 126-5(c1) is amended by adding a new subsection to
12 read:

13 "(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions
14 of this Chapter shall not apply to:

15 ...

16 (21) Employees of the North Carolina Turnpike Authority."

17 **SECTION 5.** G.S. 120-123 is amended by adding a new subdivision to read:

18 "§ 120-123. **Service by members of the General Assembly on certain boards and**
19 **commissions.**

20 No member of the General Assembly may serve on any of the following boards or
21 commissions:

22 ...

23 (75) The North Carolina Turnpike Authority."

24 **SECTION 6.** G.S. 159-81(1) reads as rewritten:

25 "(1) 'Municipality' means a county, city, town, incorporated village,
26 sanitary district, metropolitan sewerage district, metropolitan water
27 district, county water and sewer district, water and sewer authority,
28 hospital authority, hospital district, parking authority, special airport
29 district, regional public transportation authority, regional
30 transportation authority, regional natural gas district, regional sports
31 authority, airport authority, joint agency created pursuant to Part 1 of
32 Article 20 of Chapter 160A of the General Statutes, ~~and a joint agency~~
33 authorized by agreement between two cities to operate an airport
34 pursuant to G.S. 63-56, and the North Carolina Turnpike Authority
35 created pursuant to Article 6H of Chapter 136 of the General Statutes,
36 but not any other forms of State or local government."

37 **SECTION 7.** G.S. 159-81(3) is rewritten to read:

38 "(3) 'Revenue bond project' means any undertaking for the acquisition,
39 construction, reconstruction, improvement, enlargement, betterment,
40 or extension of any one or combination of the following revenue-
41 producing utility or public service enterprise facilities or systems
42 owned or leased as lessee by the issuing unit, to be financed through

1 the issuance of revenue bonds, thereby providing funds to pay the
2 costs of the undertaking or to reimburse funds loaned or advanced by
3 the State or a municipality to pay the costs of the undertaking:

- 4 a. Water systems or facilities, including all plants, works,
5 instrumentalities and properties used or useful in obtaining,
6 conserving, treating, and distributing water for domestic or
7 industrial use, irrigation, sanitation, fire protection, or any other
8 public or private use.
- 9 b. Sewage disposal systems or facilities, including all plants,
10 works, instrumentalities, and properties used or useful in the
11 collection, treatment, purification, or disposal of sewage.
- 12 c. Systems or facilities for the generation, production,
13 transmission, or distribution of gas (natural, artificial, or mixed)
14 or electric energy for lighting, heating, or power for public and
15 private uses, where gas systems shall include the purchase
16 and/or lease of natural gas fields and natural gas reserves and
17 the purchase of natural gas supplies, and where any parts of
18 such gas systems may be located either within the State or
19 without.
- 20 d. Systems, facilities and equipment for the collection, treatment,
21 or disposal of solid waste.
- 22 e. Public transportation systems, facilities, or equipment,
23 including but not limited to bus, truck, ferry, and railroad
24 terminals, depots, trackages, vehicles, and ferries, and mass
25 transit systems.
- 26 f. Public parking lots, areas, garages, and other vehicular parking
27 structures and facilities.
- 28 g. Aeronautical facilities, including but not limited to airports,
29 terminals, and hangars.
- 30 h. Marine facilities, including but not limited to marinas, basins,
31 docks, dry docks, piers, marine railways, wharves, harbors,
32 warehouses, and terminals.
- 33 i. Hospitals and other health-related facilities.
- 34 j. Public auditoriums, gymnasiums, stadiums, and convention
35 centers.
- 36 k. Recreational facilities.
- 37 l. In addition to the foregoing, in the case of the State of North
38 Carolina, low-level radioactive waste facilities developed
39 pursuant to Chapter 104G of the General Statutes, hazardous
40 waste facilities developed pursuant to Chapter 130B of the
41 General Statutes, and any other project authorized by the
42 General Assembly.

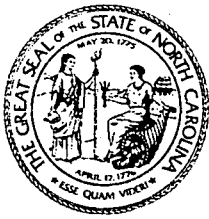
- 1 m. Economic development projects, including the acquisition and
2 development of industrial parks, the acquisition and resale of
3 land suitable for industrial or commercial purposes, and the
4 construction and lease or sale of shell buildings in order to
5 provide employment opportunities for citizens of the
6 municipality.
- 7 n. Facilities for the use of any agency or agencies of the
8 government of the United States of America.
- 9 o. Structural and natural stormwater and drainage systems of all
10 types.
- 11 p. In the case of the North Carolina Turnpike Authority, a
12 Turnpike Project, as defined in G.S. 136-89.181, including the
13 planning and design of a Turnpike Project, that is designated by
14 the Authority to be a revenue bond project.

15 The cost of an undertaking may include all property, both real and personal
16 and improved and unimproved, plants, works, appurtenances, machinery, equipment,
17 easements, water rights, air rights, franchises, and licenses used or useful in connection
18 with any of the foregoing utilities and enterprises; the cost of demolishing or moving
19 structures from land acquired and the cost of acquiring any lands to which such
20 structures are to be moved; financing charges; the cost of plans, specifications, surveys,
21 and estimates of cost and revenues; administrative and legal expenses; and any other
22 expense necessary or incident to the project."

23 **SECTION 8.** G.S. 159-96 is amended by adding a new subsection to read:

24 "(e) In the case of a Turnpike Project of the North Carolina Turnpike Authority, the
25 project may be located anywhere in the State the Authority is authorized to maintain a
26 Turnpike Project."

27 **SECTION 9.** This act is effective when it becomes law.



HOUSE BILL 644: Toll Road and Bridge Authority Created

BILL ANALYSIS

Committee: House Transportation
Appropriations Subcommittee

Introduced by: Rep. Crawford

Summary by: Giles S. Perry

Staff Attorney

Date: August 28, 2001

Version: H644-CSRW-51[v.7]

SUMMARY: *House Bill 644 authorizes the creation of a public agency, the "North Carolina Turnpike Authority" to construct operate and maintain toll roads in the State.*

CURRENT LAW: Under current law, toll roads are authorized in two limited circumstances: The construction of a listed Highway Trust Fund project bridge, (G.S. 136-82.2) or the construction of a private pilot toll road project. (G.S. 136-89.171 and-172).

BILL ANALYSIS:

Creates Turnpike Authority (p. 2)--House Bill 644 would create a public agency, to be called the "North Carolina Turnpike Authority," to construct, operate, and maintain toll roads and bridges in the State.

Governance (p. 2)--The Authority would be governed by a 7 member Board of Directors, consisting of six members appointed by the Governor and the Secretary of Transportation. Members of the Board of Directors would serve four year staggered terms.

Bylaws (p. 2)--The Authority Board would be authorized to adopt and revise bylaws. Prior to adoption, bylaws would be subject to review and comment by the Board of Transportation and the Joint Legislative Transportation Oversight Committee.

Executive Director (p. 3)--The Authority would be operated by an executive director, appointed by the Board of Directors.

Limitation on Employees (p. 3)--The Authority would have the authority to hire only administrative personnel. The Authority would be authorized to contract for the services of other needed personnel, and utilize personnel of the Department of Transportation. The Authority would be required to report all employment of administrative personnel to the Joint Legislative Transportation Oversight Committee.

Powers of Authority (p. 3)--The Authority would have the power to: build and operate a turnpike project, either on its own initiative, or at the request of the Board of Transportation; set tolls on the project subject to prior review by the Board of Transportation; condemn property by "quick-take"; issue revenue bonds; and enter into partnership agreements with non profit entities, political subdivision of the State, or private entities.

Conversion of Free Highways Prohibited (p. 5)--The Authority would be prohibited from converting a non-tolled segment of the State highway system to a toll facility.

Limitation on Use of Revenues (p. 5)--The Authority would be subject to limits on the use of revenue derived from toll projects. Revenue could only be used for the following purposes: Turnpike administration; Turnpike Project development, construction, operation, and maintenance; and Turnpike project debt service. Spending on administration would be limited to 5% of Turnpike project revenue.

Revenue Bonds (p. 5)--The Authority would have the authority to sell revenue bonds to finance all or a portion of its projects, in accordance with the State and Local Government Revenue Bond Act.

HOUSE BILL 644

Page 2

Cost Participation by DOT—The DOT would be authorized to participate in the cost of preconstruction, construction, and operation of a turnpike project.

Equity Formula (p. 5)—Turnpike projects would be subject to the equity distribution formula for State Highway Funds only to the extent that a project is funded from Highway Fund, Highway Trust Fund, or federal-aid funds that would otherwise be subject to the formula.

Motor Vehicle Laws (p. 6)—State motor vehicle laws would apply to Turnpike Authority projects.

Authorization of Alternative Contracting Methods (p. 6)—The act would authorize the Authority to use alternative contracting methods under specified circumstances.

Internet Report of Expenditures (p. 7)—The act would require the Department to publish and update annually a report of all Turnpike Authority expenditures.

Removal of Tolls (p. 7)—The act would require the Authority to remove tolls from Turnpike projects, upon fulfillment of and subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds.

Maintenance of Non-Toll Routes (p. 7)—The Department of Transportation would be required to maintain a non-toll primary route corresponding to each toll project.

Use of Highway Trust Fund Revenue (p. 7)—Operation and project development costs of the Authority would be an eligible administrative expense of the Highway Trust Fund. Any Highway Trust revenue allocated to the Authority would have to be repaid from toll revenue.

State Personnel Act (p. 8)—The employees of the Turnpike Authority would be exempt from the State Personnel Act.

General Assembly Members Cannot Serve on Board (p. 9)—Members of the General Assembly would not be eligible to serve on the Turnpike Authority Board.

Effective Date (p. 10)—House Bill 644 would become effective when it becomes law.

H644-SMRW-003

House Bill 644
H644-CSRW-51[v.7]

Changes in this version

- p. 1, line 5 – repeal of Bridge Authority deleted
- p. 1, line 25 – definition of Turnpike Authority rewritten to make clear that it includes only new toll road projects, language about feeder roads and approaches deleted
- p. 2, line 22 – technical correction to remove erroneous language board member terms
- p. 3, line 30 – requires Authority to inform Board of Transportation 60 days prior to effective date of any toll.
- p. 4, line 21 – Authority to use federal Revenue Ruling 63-20 financing method deleted, as advised by the Treasurer's office.
- p. 5, line 13-23 – Use of revenue language rewritten and clarified to provide that tolls can only be used for turnpike project administration, development, construction, operation, maintenance and debt service. Administration costs are limited to no more than 5% of Turnpike revenue (was 10%).
- p. 5, lines 24-36 – Authorization for issuance of revenue bonds rewritten to reference existing revenue bond statute, as advised by the Treasurer's office.
- p. 7, line 11 – language requiring removal of tolls rewritten for clarification, as advised by the Treasurer's office.
- p. 7, line 30 – Language added to require any Highway Trust Fund monies used for Turnpike operation and project development must be repaid to the Trust Fund.
- p. 8, line 24 through p. 10, line 26 – Sections 6, 7 and 8 are technical changes advised by the Treasurer's office, authorizing Turnpike Bonds to be issued under existing revenue bond law.

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB644 (Proposed Committee Substitute)

SHORT TITLE: Toll Road and Bridge Authority Created

SPONSOR(S): Representative Crawford

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
REVENUES					
EXPENDITURES					
Highway Trust Fund:	\$230,000	\$230,000	\$340,000	\$340,000	\$340,000
	(See Assumptions and Methodology Section)				
POSITIONS:	2	2	3	3	3
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Transportation					
EFFECTIVE DATE: When bill becomes law.					

BILL SUMMARY: House Bill 644 authorizes the creation of a public agency, the "North Carolina Turnpike Authority," to construct, operate and maintain toll roads in the State.

A seven member Board of Directors, consisting of six members appointed by the Governor and one designated by the Secretary of Transportation would govern the Authority. The Board would be authorized to adopt and revise bylaws. Prior to adoption, bylaws would be subject to review and comment by the Board of Transportation and the Joint Legislative Transportation Oversight Committee. The Authority would have the authority to hire only administrative personnel. The Authority would be authorized to contract for the services of other needed personnel, and utilize personnel of the Department of Transportation (DOT). The Authority would have the power to condemn property, to issue revenue bonds, and to enter into partnership agreements. Revenue bonds would be subject to the approval of the Local Government Commission; for the purposes of issuing them, the authority would be considered a "municipality."

The Authority would be subject to limits on the use of revenue derived from toll projects. Revenue could only be used for the following purposes: Turnpike administration; Turnpike Project development, construction, operation, and maintenance; and Turnpike project debt service. Spending on administration would be limited to 10% of Turnpike project revenue. DOT would be authorized to participate in the cost of preconstruction, construction, maintenance, or operation of a turnpike project. Turnpike projects would be subject to the equity distribution formula for State Highway Funds only to the extent that the project is funded from Highway Fund, Highway Trust Fund, or federal-aid funds that would otherwise be subject to the formula. Operation and project development costs of the Authority would be eligible administrative expenses of the Highway Trust Fund. These expenses are to be repaid to the Highway Trust Fund. The act would require tolls to be removed from Turnpike projects when all agreements in connection with the issuance of revenue bonds have been fulfilled.

ASSUMPTIONS AND METHODOLOGY:

Administrative Costs

The bill would allow administrative costs associated with staffing and operating the Turnpike Authority to be covered by the Highway Trust Fund. Our estimates of administrative costs are based on the assumptions listed below:

1. For the first two years, the Authority would require a chief executive officer (\$125,000 salary) and an administrative assistant (\$40,000 salary). Benefits for both positions would equal roughly \$35,000. Board expenses would be roughly \$5,000, and office and other expenses would be roughly \$25,000.
2. Starting with FY 2003-04, a chief financial officer would be added to the staff at a salary of \$94,000, and with benefits of roughly \$17,000.

These costs would be funded out of existing revenues, and would not require an appropriation. The bill requires funds used for these purposes to be repaid to the Highway Trust Fund, but does not specify a time frame for repayment.

Project Development Costs

The development of road and bridge projects will require funding for design, preliminary engineering, environmental impact statements and right-of-way acquisition. The Department of Transportation estimates that these costs would total roughly \$3 million in FY 2003-04 and roughly \$20 million by FY 2005-06.

The Fiscal Research Division believes the development costs of these projects would be incurred by DOT whether the Turnpike Authority is created or not. Furthermore, although these costs may be incurred sooner with the creation of the Turnpike Authority, these costs would not require additional funding; rather, DOT would fund these projects by reallocating funds within its project budgets. The bill requires funds from the Highway Trust Fund used for these purposes to be repaid, but does not specify a time frame for repayment.

Construction Costs

Until the Turnpike Authority has toll revenue adequate to fully fund its projects, the Authority will require some participation by the State in the funding of project construction.

The bill allows DOT to participate in this construction. Although this participation, in a sense, would represent a cost to the State, we believe the construction costs associated with Turnpike projects would be incurred by DOT whether the Turnpike Authority is created or not. Furthermore, Turnpike project construction will be funded only partially with State funds; the balance of project costs will be funded with revenue bonds and toll revenues. Thus Turnpike projects will cost the State less to build than if these projects were built solely with State funds. Ultimately, by leveraging State construction funds with toll revenues, the Turnpike Authority will allow the State to stretch those funds farther.

Tolls

Eventually toll revenues would be generated by Turnpike Authority projects. However, these toll revenues would not be collected within the five-year time frame of this fiscal note.

FISCAL RESEARCH DIVISION: 733-4910

PREPARED BY: Evan Rodewald

APPROVED BY: James D. Johnson

A handwritten signature in black ink, appearing to read "James D. Johnson", written over a horizontal line.

DATE: August 24, 2001

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VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

8/28/01

Name of Committee

Date

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2002

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2002

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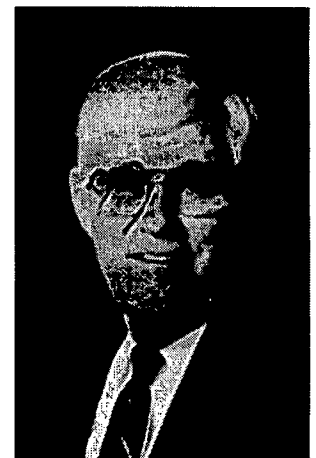
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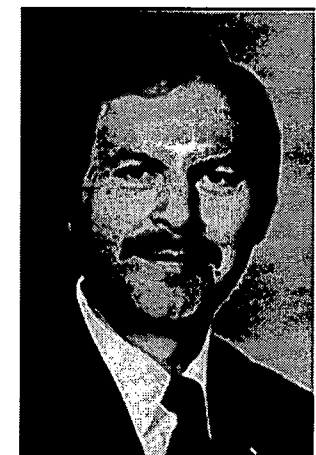
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HIATT, Bill	Edna Pearce	733-5862	1008
McALLISTER, Mary	Marilyn Suitt	733-5959	638
SAUNDERS, Drew	Ruth Fish	733-5606	2217
SUTTON, Ronnie	Juanita Coley	715-0875	1321

STAFF

Wendy Graf	733-2578	545
Giles Perry	733-2578	545
Evan Rodewald	733-4910	619
Bob Weiss	733-4910	619

**SENATE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
2001 - 2002 SESSION**

MEMBER	ASSISTANT	PHONE	OFFICE
GULLEY, Wib	Carol Resar	715-3036	408
SHAW, Larry, Vice-Chair	Barbara Lee	733-9349	621
CARPENTER, Bob	Helen Carpenter	733-5875	517
BERGER, Phil	Barbara Eldridge	733-7659	1414
HOYLE, David	Penny Williams Vickie Spears (send notices)	733-5734	300-A
ROBINSON, Dan	Jean Robinson	733-5880	2113
RUCHO, Bob	Allison Towe	733-5650	1113

STAFF

Wendy Graf	733-2578	545
Giles Perry	733-2578	545
Evan Rodewald	733-4910	619
Bob Weiss	733-4910	619

SENATE APPROPRIATIONS SUBCOMMITTEE
ON TRANSPORTATION
MEMBERSHIP

Senator Wib Gulley, Chair
Room 408 LOB
5-3036

Senator Larry Shaw, Vice-Chair
Room 621 LOB
3-9349

Senator Bob Carpenter, Ranking Minority
Room 517 LOB
3-5875

Senator Phil Berger
Room 1414 LB
3-7659

Senator David Hoyle
Room 300-A LOB
3-5734

Senator Dan Robinson
Room 2113 LB
3-5880

Senator Bob Rucho
Room 1113 LB
3-5650

Fiscal Staff
Evan Rodewald
3-4910

Bob Weiss
3-4910

Research Staff
Giles Perry
3-2578

Bill Drafting Staff
Ken Levenbook
3-6660

Committee Clerk
Carol Resar
5-3036

ATTENDANCE

APPROPRIATIONS Subcommittee on Transportation 2001-2002 Session

DATES	4/24/02	5/7/02	7/10/02												
Cole, Co-Chair	✓	✓	✓												
Crawford, Co-Chair	✓	✓	✓												
Bowie, Vice-Chair	✓	✓	✓												
Barbee	✓		✓												
Blue															
Coates	✓	✓	✓												
Davis	✓	✓	✓												
Dockham	✓	✓	✓												
Gulley	✓	✓	✓												
Hiatt			✓												
McAllister		✓	✓												
Saunders	✓		✓												
Sutton	✓														
Ex Officio Members:															
Hackney, Speaker Pro Tem															
Baddour, Majority Leader															
Dedmon, Majority Whip															
Earle, Majority Whip															
Cunningham															

HOUSE AND SENATE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION MEETING INDEX

The following meetings were held jointly:

April 24, 2002
May 1, 2002
May 7, 2002
July 10, 2002

The following meetings were held with House members only:

July 23, 2002
July 24, 2002
July 31, 2002
August 1, 2002

The following meetings were held with Senate members only:

June 11, 2002
June 18, 2002

**2002 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE

The following report(s) from permanent sub committee(s) is/are presented:

By Representatives Cole and Crawford (Chairs) for the Permanent Subcommittee on Transportation of the Standing Committee on APPROPRIATIONS.

THE FOLLOWING BILLS ARE RE-REFERRED TO THE STANDING COMMITTEE ON APPROPRIATIONS.

House Bill

Short Title

H 43	NONBETTERMENT RELOCATION COSTS
H 69	REPEAL HIGHWAY USE TAX TRANSFER - 3 YRS.
H 1229	HIGHWAY MAINTENANCE FUNDS—SOURCES/DISTRIBUTION
H 1273	NCDL—ADDRESS REQUIREMENT ON APPLICATION

North Carolina General Assembly
 Through House Committee on
 Appropriations Subcommittee on Transportation

Date: 10/23/2002
 Time: 09:46
 Page: 001 of 001
 Leg. Day: H-256/S-242

2001-2002 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
H0043	Cansler	NONBETTERMENT RELOCATION COSTS.	HF Postponed Indefinitely	06-11-01	09-30-02
\$ 069=	Bowie	REPEAL HIGHWAY USE TAX TRANSFER-3 YRS.	*HF Postponed Indefinitely	06-11-01	09-30-02
H1229	Shubert	HIGHWAY MAINTENANCE FUNDS-SOURCES/ DISTRIBUTION.	HF Postponed Indefinitely	06-11-01	09-30-02
H1245	Baddour	NCDL/SELECTIVE SERVICE REGISTRATION.	*HR Ch. SL 2002-162	06-11-01	09-27-01
H1273=	Justus	NCDL-ADDRESS REQUIREMENT ON APPLICATION.	HF Postponed Indefinitely	06-11-01	09-30-02
H1696		LAW ENFORCEMENT ESCORT FEE.	*HF Postponed Indefinitely	07-30-02	08-21-02
S1329		DOT PAYS COUNTY GAS LINE RELOCATION COST.	*H Assigned To Appropriations Subcommittee on Transportation	08-28-02	

'\$' indicates the bill is an appropriation bill.

A bold line indicates the bill is an appropriation bill.

'*' indicates that the text of the original bill was changed by some action.

'=' indicates that the original bill is identical to another bill.

Joint Appropriations Transportation Subcommittee

April 24, 2002
9:30 am
Room 1228/1327LB

AGENDA

Chairs

Representative Nelson Cole
Representative Jim Crawford
Senator Wib Gulley

Report from the Secretary
Secretary Lyndo Tippett, DOT

Status of Federal Funds
Calvin Leggett, Manager, Program Development Branch, DOT

Trust Fund and TIP Funding Issues
Calvin Leggett

Transportation Funding Overview
Bob Weiss, Committee Staff

Joint Appropriations Subcommittee on Transportation
Wednesday, April 24, 2002
9:30 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:30 am on Wednesday, April 24, 2002 in Room 1228 of the Legislative Building. Four Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Barbee, Coates, Davis, Dockham, Gulley, Saunders, and Sutton. Senator Wib Gulley presided.

The first item on the agenda was a report from Secretary Lyndo Tippet of the Department of Transportation (DOT). **See Handout #1 and Handout #2.** His report included DOT's achievements, legislative agenda; 2002 goals, budget items and a report on the current Department of Motor Vehicles (DMV) situation and SBI investigation. Secretary Tippet told the Committee that he wanted to create a DMV Enforcement Review Council and take steps to improve DMV Enforcement functions.

After Secretary Tippet's report, Representative Bowie voiced concerns about using highway funds for other state agency budgets. Representative Sutton voiced concerns about the unlimited number of design-built projects and hoped the legislation would give a specific number instead of unlimited.

Next, Calvin Leggett, DOT's Manager of Program Development, gave his report on the status of federal funds and the Trust Fund and TIP funding issues. **See Handout #3 and Handout #4.** Page 4 of Handout #3 gives the breakdown of federal aid funds. Mr. Leggett explained which federal funds were flexible and which were not flexible. He stated that most of the federal funds were for specific purposes and were not flexible in their uses. In 1998, 90.5 cents came back for every \$1.00 North Carolina sent to Washington, DC., which still makes North Carolina a "donor" state.

Mr. Leggett next explained the effect of Revenue Aligned Budget Authority (RABA) on programmable dollars (page 5 of Handout #3). He told the Committee that there would be \$200 million less than DOT had planned on receiving, but for 2003, the federal government was going to put North Carolina back up to the \$700 million baseline.

Senator Berger asked Mr. Leggett what DOT was doing to move forward on future TIP projects and what portion of the \$500 million in Highway Trust Fund was unobligated. Mr. Leggett stated that there was a difference between "budget authority" and "cash" and that affects TIP projects. Also, 90% of the Trust Fund money is obligated each year.

Senator Carpenter asked Mr. Leggett about the \$80 million that Governor Easley "borrowed" without legislative approval. Mr. Leggett replied that the Governor did not borrow it, but took it.


Senator Gulley stated that DOT now has one group overseeing all of the TIP Projects and the Committee wanted to make sure all the Highway Trust Fund money stayed with DOT. Representative Davis asked what portion of the obligated monies was hung up because of environmental issues and what was the real surplus. Representative Crawford replied that the staff was trying to get that information.

Mr. Leggett next referred to page 9 of Handout #3 and explained DOT's potential near-term solutions and page 13 for potential longer-term solutions to the Highway Trust Fund issues. Representative Cole voiced concern that many of the roads on Handout #4 would never get build and he stated it was no surprise that the area of the state these roads were located are the poor counties where goods cannot get in and out and growth cannot happen.

Senator Gulley added that before the DOT Board made recommendations, the Committee wanted a guarantee that commitments made in 1989 when the Highway Trust Fund was created are honored. Representative Bowie agreed with Senator Gulley and further stated that the Legislature promised the people of North Carolina that these projects would be completed in seven years and we are now 37 years out. We cannot balance the general budget on the back of DOT. We have to keep the commitments we made in 1989 and keep North Carolina the "Good Roads" state.

Next, Bob Weiss, Fiscal Analyst, gave a Transportation Funding Overview. See Handout #5. There was a brief discussion regarding issuing bonds for DOT projects.

The meeting was adjourned at 11:30 AM.



Senator Wib Gulley, Co-Chair



Carol Resar, Committee Clerk

Joint Subcommittee on Transportation Appropriations

4/24/02

INTRODUCTION

- Thank you for the opportunity to speak with you this morning.

RABA -- Federal Revenue Adjustment Budget Act

- Under Bush's proposed budget, North Carolina's cut in transportation funds would amount to about \$200 million less than was available in 2002.
- This would reduce our funds by nearly 30 percent.
- I have written our Congressional delegation—and I have asked for their assistance to restore the obligation authority needed to maintain our transportation construction program.
- The good news is that the Transportation and Appropriations Committees have each introduced a bill that would restore these dollars from a special reserve fund.

The DOT

LEGISLATIVE AGENDA

1. Greater Flexibility with Highway Trust Fund

- My first priority is to work with the General Assembly to secure greater flexibility in how we may use our transportation dollars across the state.
- To put it in perspective for you, currently we've got 80 percent of our resources going towards just 20 percent of our needs.
- What I'm proposing to the General Assembly is that we adjust the Highway Trust Fund eligibility to reflect the state's greatest transportation needs statewide.

2. Design-Build Expansion

- I'm proposing that this authorization be expanded to allow us to select an unlimited number of design-build projects -- those least environmentally sensitive.
- Expanding this program would not only reduce construction costs but would also greatly accelerate the delivery of transportation projects in areas where they're needed the most. We have a 25-year inventory of projects. We plan to embark on a program to deliver these projects much earlier.

3. N.C. Turnpike Authority

- A similar bill passed through the House last year so we are very optimistic that this new authority will come to pass during this legislative session.
- Toll roads themselves are not a complete answer to traffic congestion, but they could be a powerful congestion management tool for areas experiencing high traffic volumes.

2001 ACHIEVEMENTS

- In spite of our funding challenges, 2001 was a phenomenal year for transportation in our state.

1. Led by Maintenance

- Since my appointment, I've been working to increase our maintenance funds and I was very proud of the special provision in the budget bill allowing the Department to use \$420 million from its cash balances for maintenance.
- This is the most significant transportation legislation passed since the Highway Trust Fund in 1989.
- Due to this legislation, citizens from across the state will see a major improvement in the quality of their highways.

- In Wake County, for example, we'll be resurfacing Capital Boulevard next door as well as U.S. 158, U.S. 29 in Rockingham, N.C. 55/501 in Durham, U.S. 74 east of Charlotte, U.S. 70 East of Kinston and others in each district represented here today from the mountains to the coast.

2. Protecting the Environment

- Recently, at a special event near Raeford, I announced the department's acquisition of 2,500 acres in Hoke County for a preserve for the federally-endangered red-cockaded woodpecker.
- This purchase helps the federally-endangered red-cockaded woodpecker because it preserves their habitat, which has been shrinking for some time now.
- It helps the department because this property will serve as a bank for current and future mitigation needs for highway construction projects in the Sandhills area and other parts of the state.

3. Reducing Traffic Congestion Through Technology

- As part of the special provision in the budget bill, we'll be investing \$45 million over the next three years for a variety of intelligent transportation systems, including coordinated traffic signal systems, vehicle detection systems and incident management systems across the state.

4. Expansion of Public Transportation and Rail Funding

- The additional \$84 million appropriated in the budget gave public transportation a 100 PERCENT INCREASE in funds from last year.
- Another success for the Department last year was the announcement of our plans for REINTRODUCING PASSENGER RAIL SERVICE to western and southeastern North Carolina.

5. Creation of RPOs

- Improving planning across the state is the goal behind the creation of rural transportation planning organizations or RPOs.
- In September, we announced our very first—the Mid-Carolina RPO which represents Bladen, Cumberland, Harnett and Sampson counties.
- Improved planning in our rural areas helps protect natural resources and gives local citizens a unified voice in the transportation decision-making process.
- Since the formation of Mid-Carolina RPO, the Department has announced a total of 11 RPOs—incorporating 55 counties.

2002 AGENDA AND GOALS

- As our accomplishments demonstrate, 2001 was a landmark year for transportation in North Carolina.
- 2002 will be no different—in fact, we're raising the bar another notch.
- As you can see from my agenda card, we have much work ahead of us. We'll:
 - Continue to focus on eliminating the maintenance backlog
 - Build more partnerships that protect our environment like the one in Hoke County
 - Reduce congestion in urban areas through innovative solutions such as intelligent transportation systems and highway construction projects that incorporate HOV and public transportation
 - Move forward with passenger rail in North Carolina; and
 - Improve highway safety for employees as well as the citizens.

STATE BUDGET AND EFFICIENCIES

- The state's budget shortfall makes our work especially challenging.
- That's why I'll continue to work with staff to identify and implement efficiencies wherever possible.
- And my goal at DOT is to do more than just save money—I want to make sure that the Department is running as efficiently as possible.
- As requested by Governor Easley, we'll be participating in a number of cost-reducing measures, including a hiring freeze and limits on travel and purchasing.
- So far this year:
 - Have a 50 percent reduction in travel costs.
 - In addition, in studying the effects of vacancies on personnel costs, we have determined that the level of "lapsed salaries" is about the same as in the prior two years. In each of those years salary and benefit reversions were about \$13 million. The projection for this year is in that range.
- Quality transportation is a vital part of the Governor's vision for *One North Carolina* and I won't be satisfied until I've done all I can to make this happen.
- As leaders, you can help by making the nine goals on these cards YOUR NINE GOALS.
- With your help, we can build the kind of transportation system that supports all citizens and will make *One North Carolina* a reality.

DMV

As you know, DMV has received much attention recently. You should know more, and I want to tell you.

In April 2000, the department called on the SBI to investigate possible misconduct within the DMV Enforcement Unit in western North Carolina.

I became Secretary in February 2001, and shortly thereafter met with the SBI about this investigation. At that time, because of the seriousness of these allegations, I asked for a more thorough review.

As you know, early last week, Attorney General Roy Cooper requested the assistance of the U.S. Attorney.

Even though the department has relied on the investigating agencies to bring us information to date, it appears we're still some time away from a conclusion.

Therefore, the department is taking action steps immediately:

- I have created a new DMV Enforcement Review Council to review all DMV Enforcement operations across the state and take an in-depth look at how safety regulations are being enforced.
- Other steps include expanded audits of field offices, mandatory ethics training and random reviews of DMV Enforcement operations.
- Gov. Easley and I have talked about DMV and he concurs with these measures.
- North Carolinians have a right to have faith in the DMV Enforcement officers who enforce safety regulations along our highways.
- The actions I am announcing today ensure that the public trust will be upheld now and in the future.

The DMV Enforcement Review Council -- which has already met once -- includes:

- Bryan Beatty, Secretary of Crime Control and Public Safety
- Andy Vanore, Retired from the Attorney General's Office
- Carol Howard, DMV Commissioner

Specific tasks of the Council will include:

- Review all policies and procedures to determine if any have been violated
- Recommend any necessary action that can include—but is not limited to—personnel, disciplinary or organizational actions.
- Review all allegations revealed by the Attorney General to see if personnel action is justified at this time.
- Interview rank-and-file officers to solicit their opinions and gather additional feedback.
- Regulatory favoritism, soliciting campaign funds during state time or the mishandling of public funds at any level of the DMV Enforcement Section will not be tolerated.
- This task force will be given every available resource to complete their mission --they will present to me their complete findings and recommendations for action.
- The recommendations of the Council will be final.
- Whatever can be implemented will be done so immediately. If misconduct is identified, there will be disciplinary action—it will be swift and it will be severe.

The Department has—and will—take additional steps to improve DMV Enforcement functions:

- Last year comprehensive ethics training for all management and supervisors at DMV was implemented.
- At my direction, this training has been expanded and will be mandatory for all employees, such as the new cadets.
- Reinforce the general rules of conduct which are already a part of the Enforcement policies and procedures.
- These govern behavior, restrictions on outside activities, prohibit participation in political activity while on duty, forbid indirect or direct coercion for political support or contributions.
- Expand detailed quarterly audits and inspections of all district operations for fairness, accuracy and effective use of resources.
- Strengthen random reviews and investigate all voided or amended tickets.
- Continue to work with the Federal Motor Carrier Safety Administration to conduct quarterly audits of enforcement activity concerning motor carrier safety inspections.
- Continue to work with the federal EPA and the N.C. Division of Air Quality to conduct quarterly audits of enforcement activity on the vehicles emissions program.
- Post DOT's customer service number (1-877-DOT-4YOU) at all local enforcement offices for citizens and employees to use to express complaints or concerns.

I also plan to visit every DMV Enforcement District Office in the state, meeting with officers and reminding them of their safety mission.

Most important of all, these visits will give me the opportunity to meet with the rank-and-file DMV officers.

I think it's important that we acknowledge the contributions of these employees—the ones who are out there every day, keeping our highways safe.



Handout #2

2002

North Carolina



Department of Transportation

Provide a safe, well-maintained and integrated transportation system for all citizens in support of Governor Easley's One North Carolina

Goals & Commitments

- Eliminate the highway maintenance backlog.
- Protect and improve the state's natural resources.
- Reduce congestion to enhance continued growth in urban areas.
- Provide transportation infrastructure to boost rural economic development.
- Improve operating efficiency by maximizing existing resources and by seeking new ways to perform traditional tasks.
- Plan and expand mass transit.
- Improve rail, aviation, bicycle, ferries and other alternative means of transportation.
- Ensure that all citizens have a voice in transportation decisions which affect them.
- Improve highway safety for motorists as they travel through the state and for employees as they build and maintain our transportation systems.

Lyndo Tippet

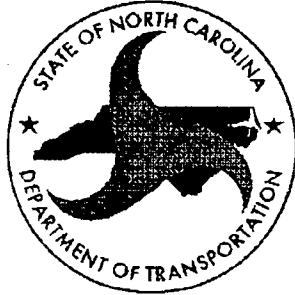
Secretary of the North Carolina

Department of Transportation

1501 Mail Service Center

Raleigh, North Carolina 27699-1501

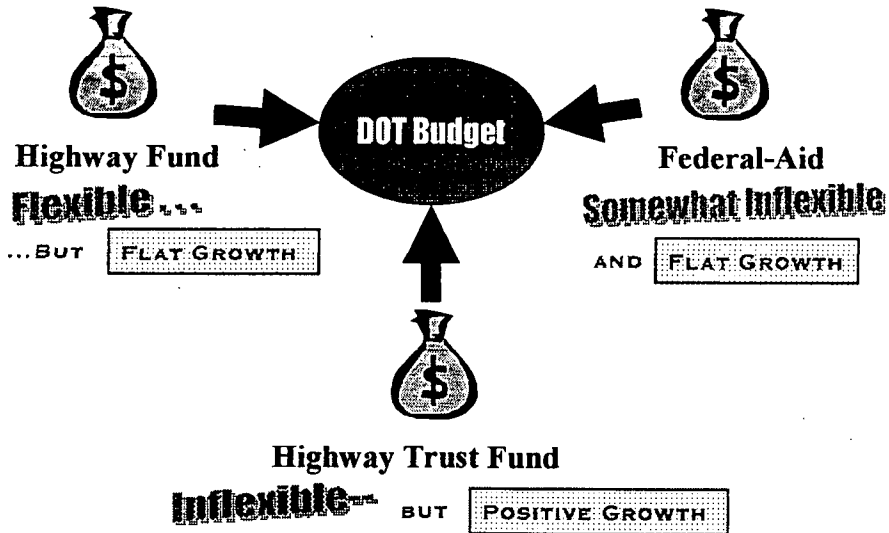
1-877-DOT-4YOU



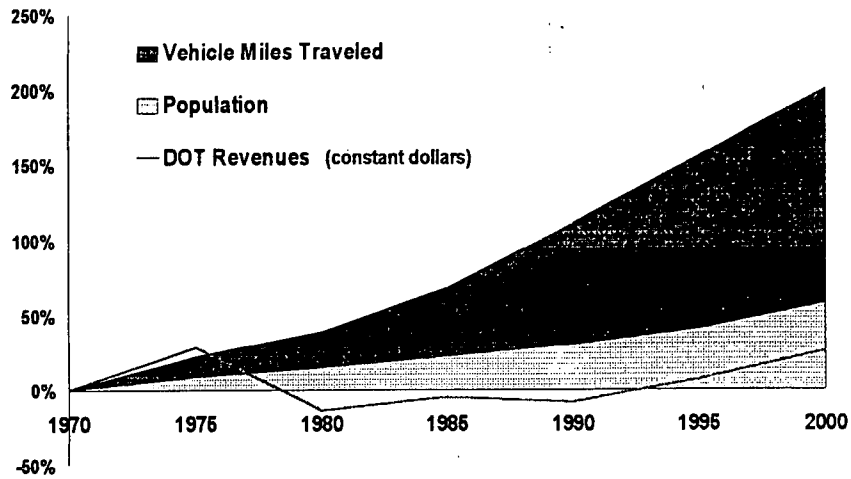
Trust Fund and TIP Funding Issues

Calvin Leggett, P.E.
Branch Manager
Program Development Branch

Funding Sources

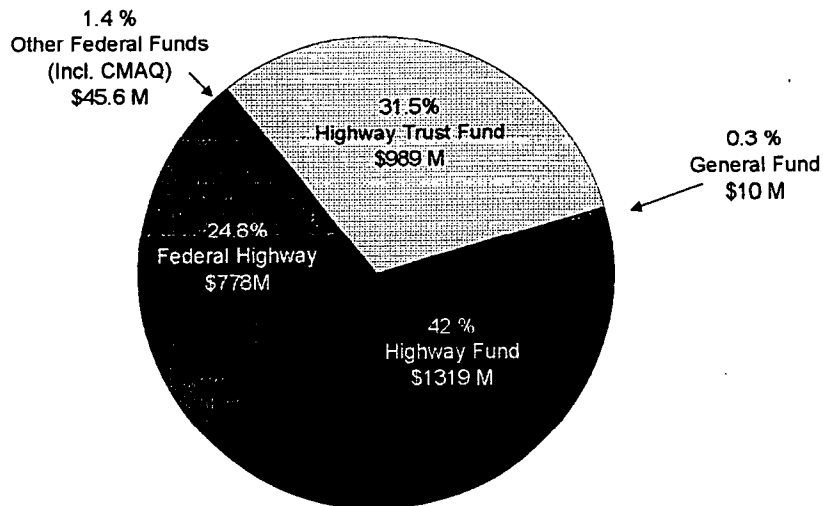


Some Trends Affecting North Carolina Transportation

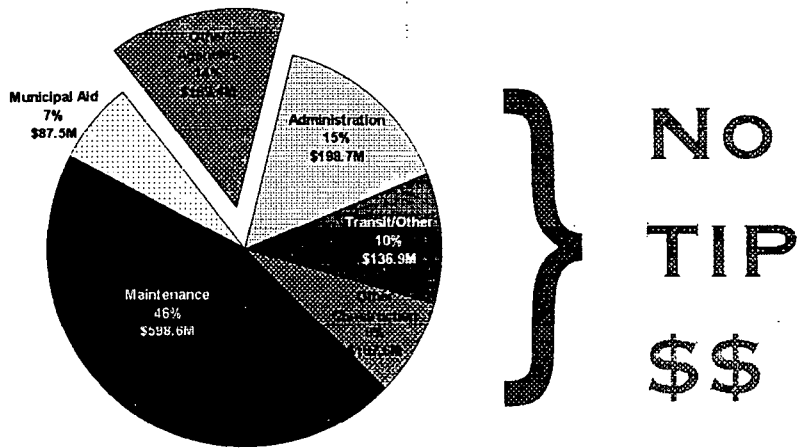


NCDOT Sources of Funds for 2001-02 by Major Funding Source.

(Total Funding = \$3.141 Billion)



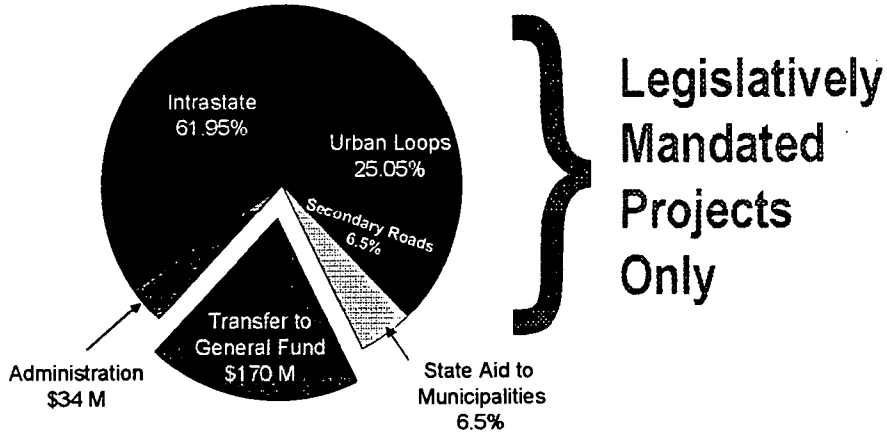
Highway Fund



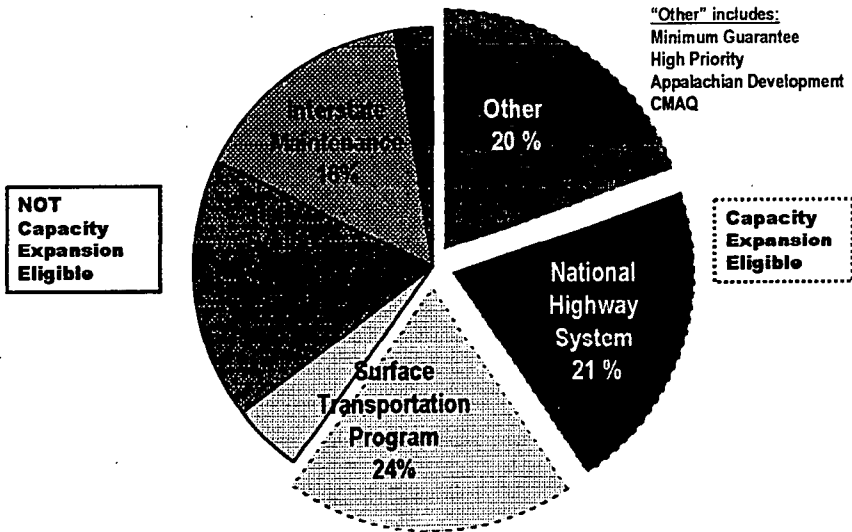
Highway Trust Fund

- Created in 1989 by General Assembly
- Intrastate System
 - * Complete 3600 miles of four-lane system
 - * Improve 113 miles of Interstate
- Build seven urban loops
- Additional funds to pave all unpaved secondary roads by 2006
- Additional funds for municipal streets

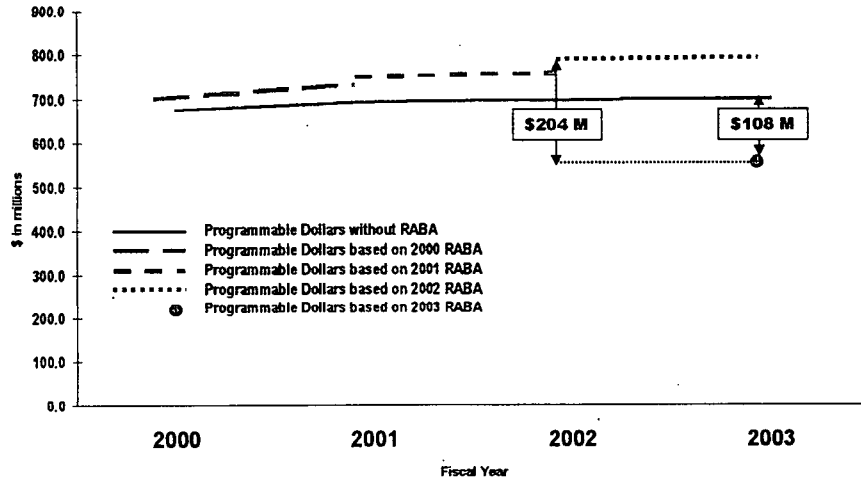
Highway Trust Fund Allocations - 2001-02 (Total Funding = \$989 million)



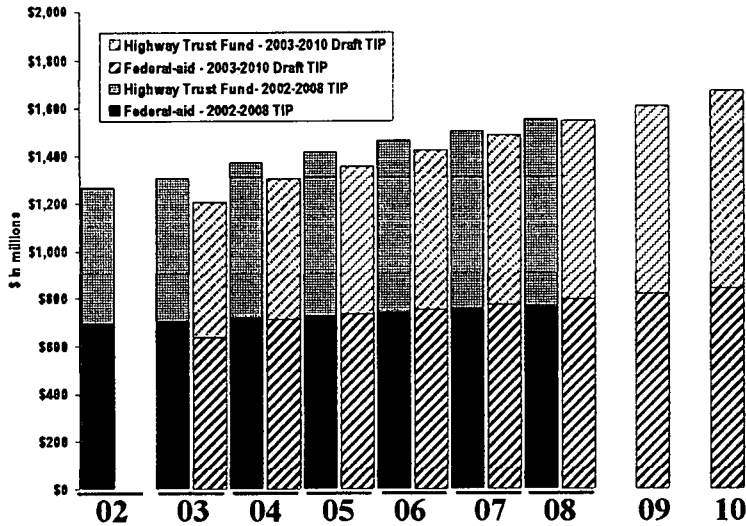
Federal-aid Funds



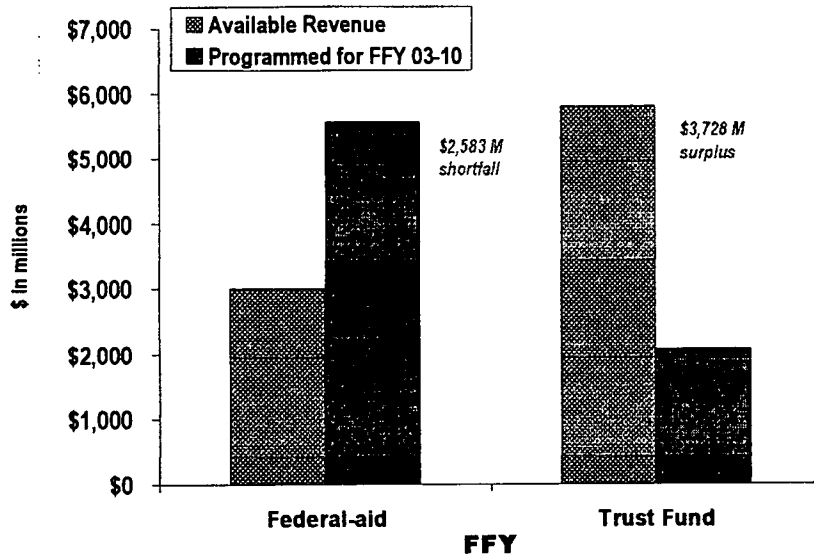
Effect of Revenue Aligned Budget Authority (RABA) on Programmable Dollars



Funding Availability - 2003-10 vs. 2002-08



FFY 03-10 Programmed Dollars vs Available Revenue



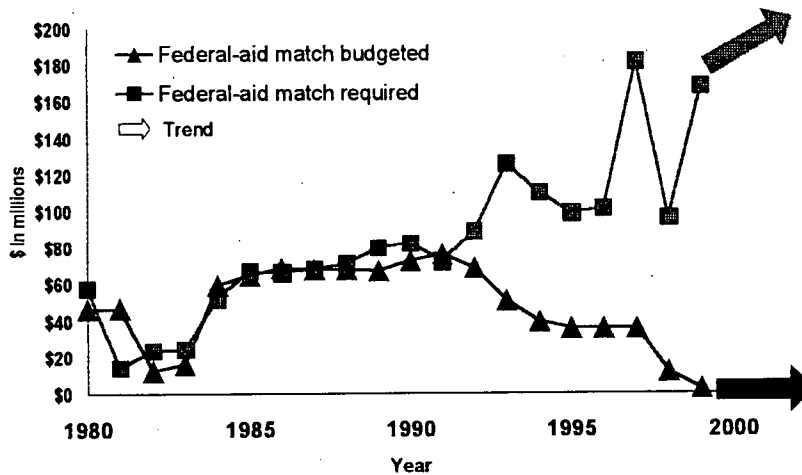
Consequences

- Draft 2004-2010 TIP - DOT will be severely limited as to the types of projects that can be programmed/funded
- In some Divisions or counties, funding may be available only for intrastate or loop projects
- The most pressing needs in many Divisions and Counties will not be eligible for TIP funding

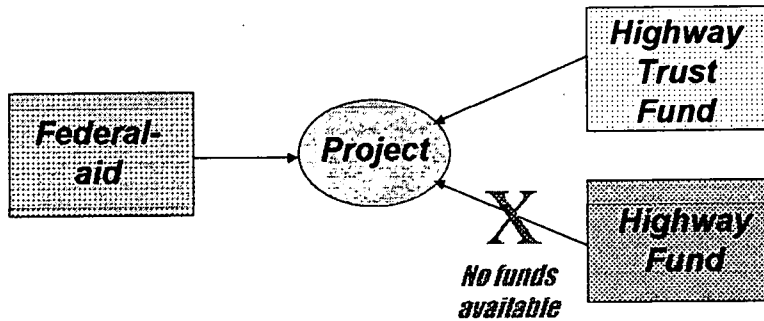
Potential Near-Term Solutions

- **Make matching of Federal-aid funds an eligible Trust Fund expense**
- Add all intrastate route improvements as an eligible category

Federal-aid Match

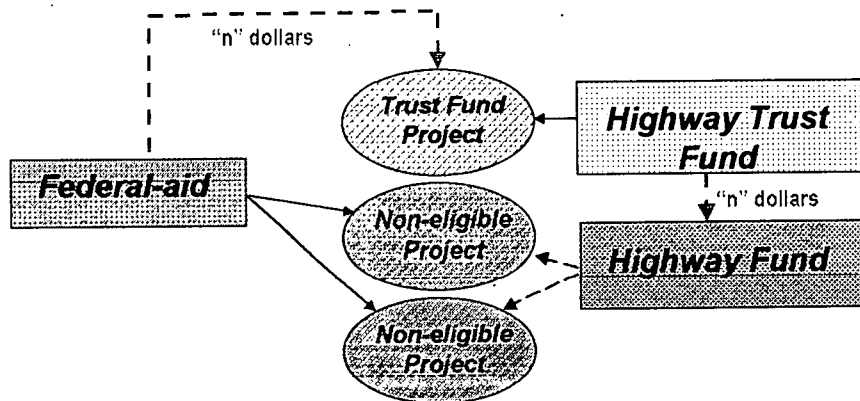


Federal-aid Matching



Highway Trust Fund is currently the only source of funds for matching Federal-aid dollars

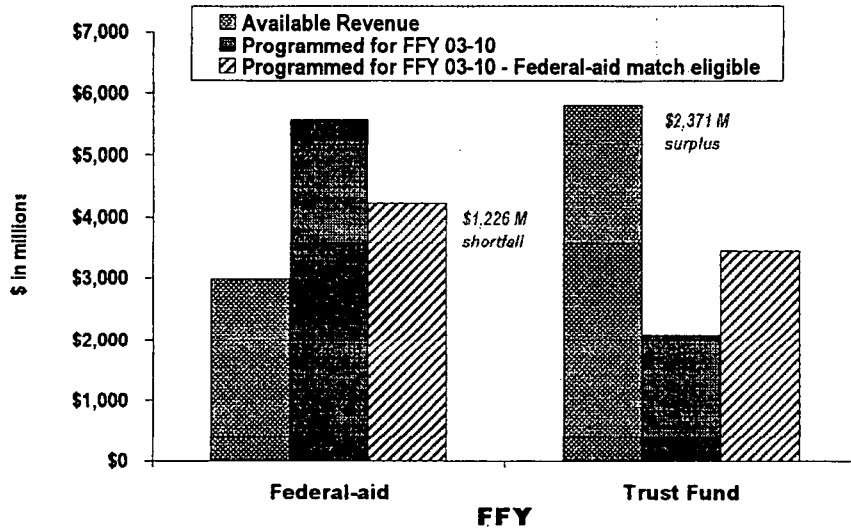
Federal-aid Matching



By using Federal-aid funds on Trust Fund eligible projects, DOT can transfer funds from the Trust Fund to the Highway Fund; the transferred funds can then be applied as match to non-Trust Fund eligible projects

FFY 03-10 Programmed Dollars vs Available Revenue

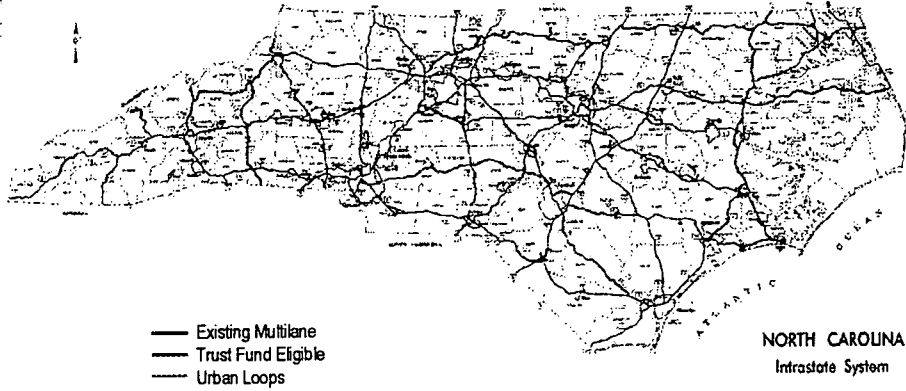
Federal-aid match Trust Fund eligible



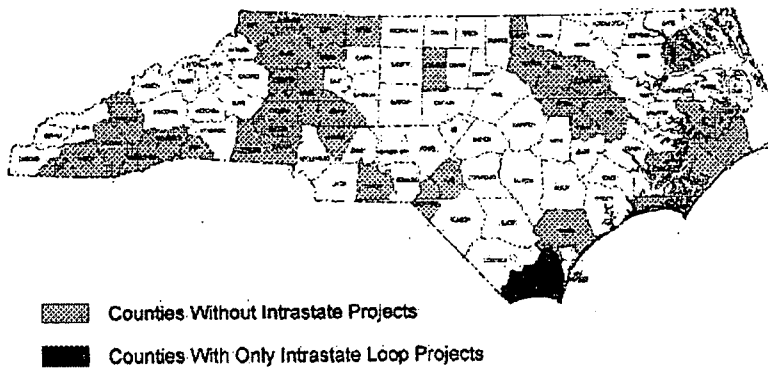
Potential Near-Term Solutions

- Make matching of Federal-aid funds an eligible Trust Fund expense
- **Add all intrastate route improvements as an eligible category**

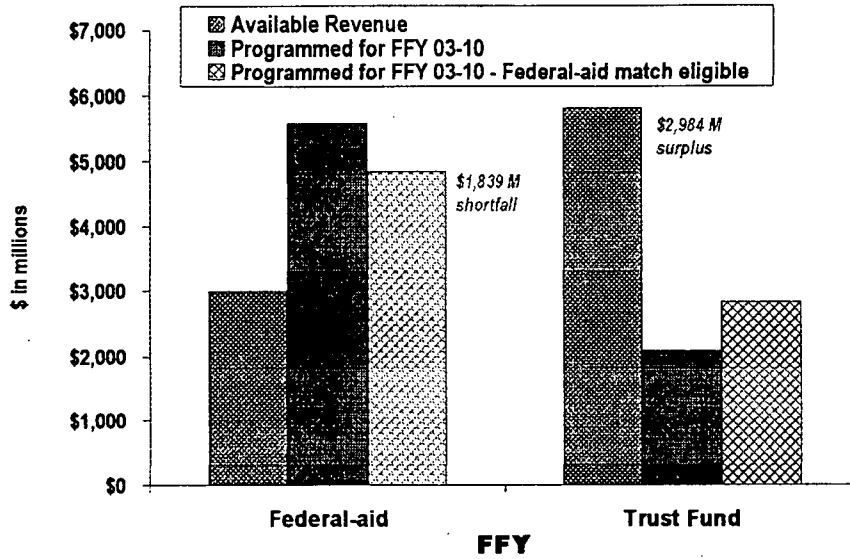
Intrastate System Status



Current Trust Fund Eligibility by County



FFY 03-10 Programmed Dollars vs Available Revenue *all intrastate Trust Fund eligible*

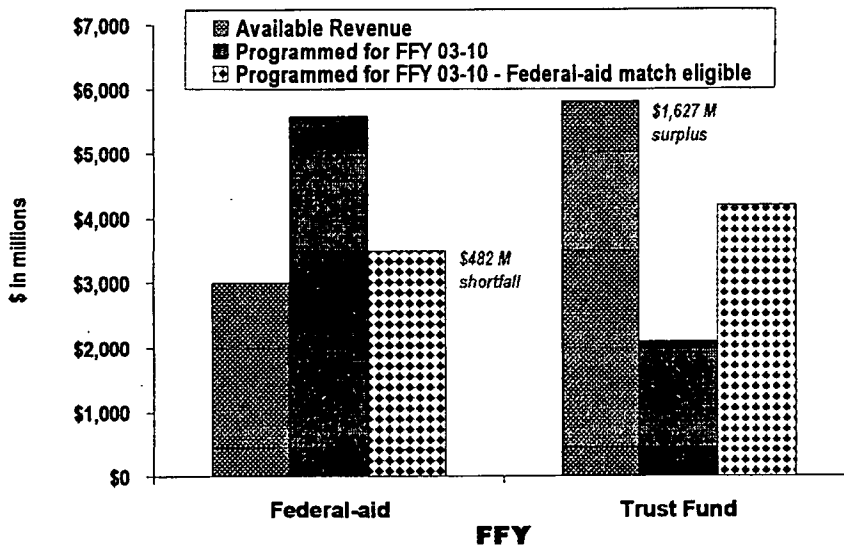


Potential Near-Term Solutions

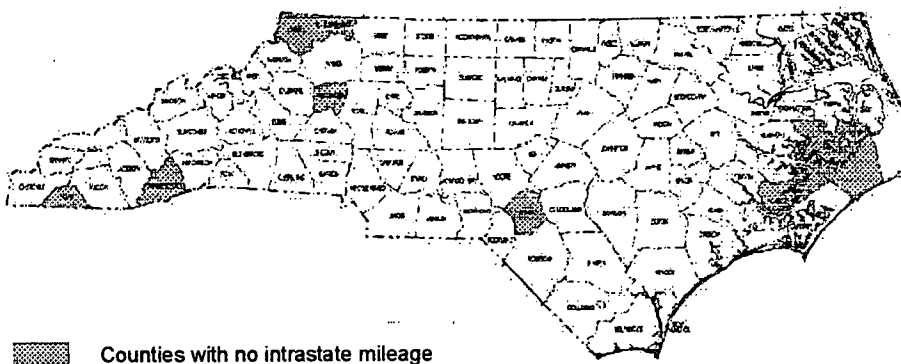
- **Make matching of Federal-aid funds an eligible Trust Fund expense**
- **Add all intrastate route improvements as an eligible category**

FFY 03-10 Programmed Dollars vs Available Revenue

All near-term solutions combined



Intrastate System Mileage by County



Potential Near-Term Solutions

Rationale

- *Current and anticipated revenues are inadequate to meet needs identified by Legislative Finance Commission*
- *Prospects for obtaining additional funding in the near term are poor*

Intent

- *Eliminate the need for \$200 million annual Trust Fund transfer to generate Federal-aid match*
- *Provide much-needed flexibility in using the revenues that are available to meet the greatest needs in all regions of the state*

No change in total funds available or their distribution across the state

Potential Longer-Term Solutions

- **Change allocation formulas**
 - * *Lower miles-completed threshold to shift funds to population and equal-share, or change miles-to-complete to system mileage*
 - * *Review secondary road allocations*
- **Phase out transfers to General Fund**
- **Additional revenues**

Change allocation formula

Lower miles-completed threshold to shift funds to population and equal-share

66%	34%
POPULATION OF REGION AS PERCENT OF STATE	EQUAL SHARE

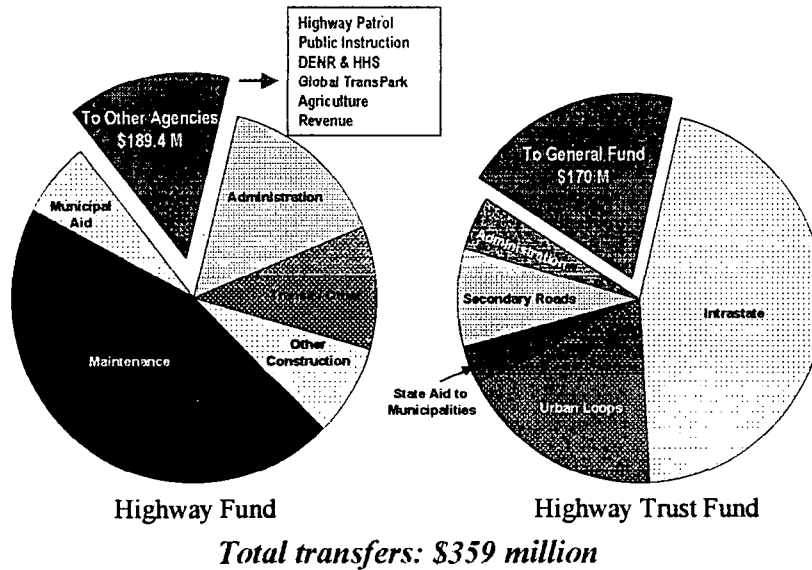
Change miles-to-complete to system mileage

50%	25%	25%
POPULATION OF REGION AS PERCENT OF STATE	<u>TOTAL</u> INTRASTATE SYSTEM MILES	EQUAL SHARE

Potential Longer-Term Solutions

- Change allocation formulas
 - * Lower miles-completed threshold to shift funds to population and equal-share, or change miles-to-complete to system mileage
 - * Review secondary road allocations
- Phase out transfers to General Fund
- Additional revenues

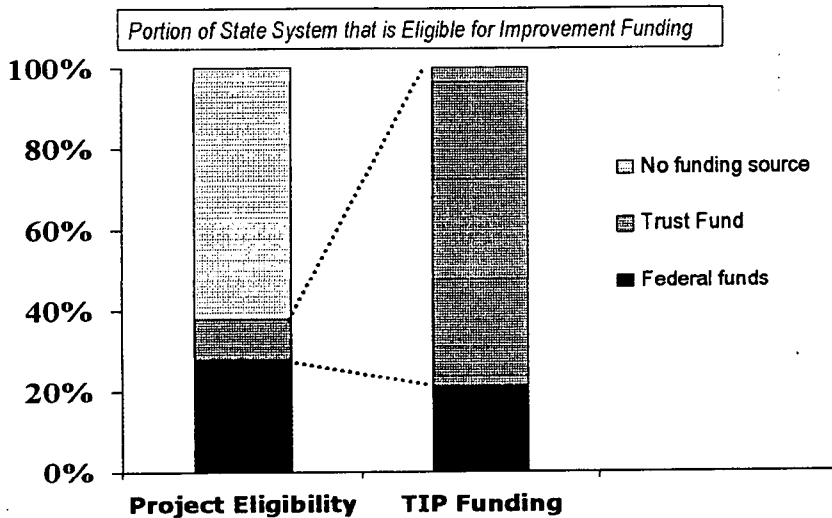
Phase out transfers to the General Fund



Potential Longer-Term Solutions

- Change allocation formulas
 - * *Lower miles-completed threshold to shift funds to population and equal-share, or change miles-to-complete to system mileage*
 - * *Review secondary road allocations*
- Phase out transfers to General Fund
- Additional revenues

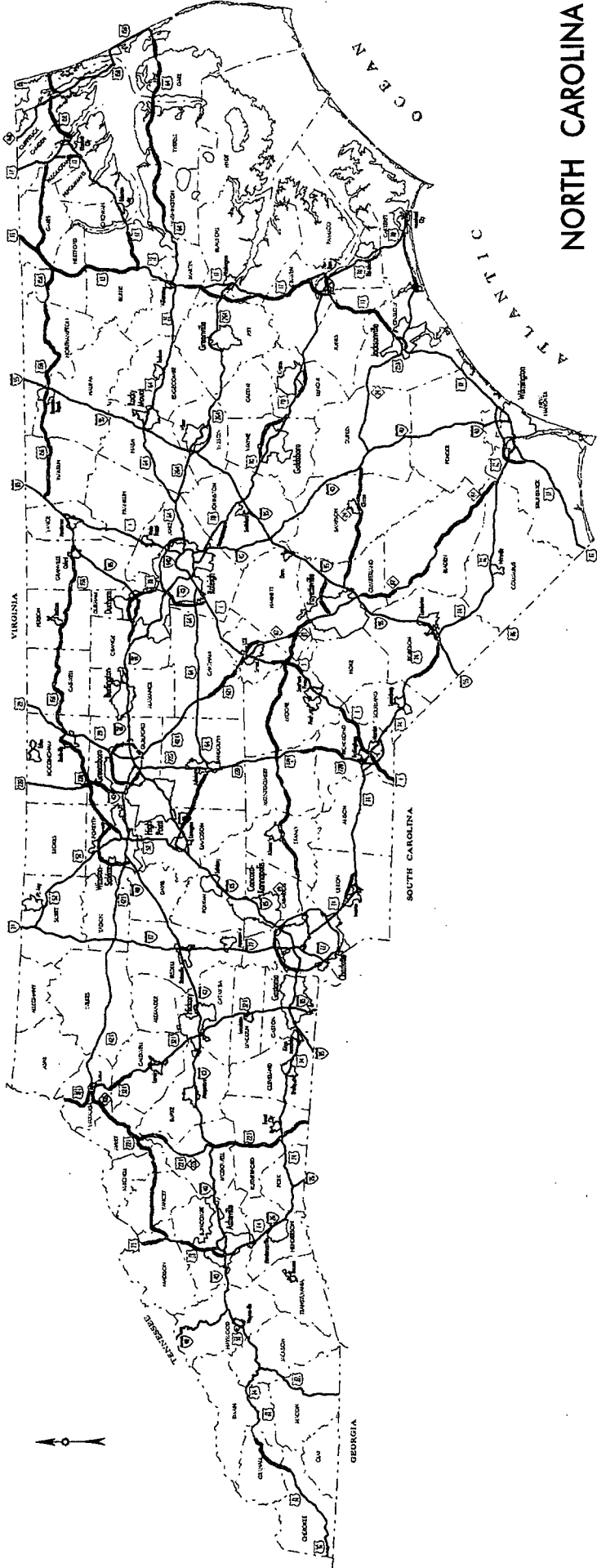
Additional Revenue



Additional Revenue

Transportation Finance Study Commission Recommendations

Measure	Additional Annual Revenue (\$ in millions)
Increase vehicle registration fees from \$20 to \$40 annually	\$140
Increase fuel tax by 2 cents per gallon	\$100
Increase use tax from 3% to 4%	\$200
Increase fees for truck licenses, driver licenses, International Registration Plan	\$72
Total	\$512



NORTH CAROLINA Intrastate System

Status as of early 2002

- Existing Multilane
- Trust Fund Eligible Intrastate
- Trust Fund Eligible Urban Loop

State Transportation Funding

- Sources of Transportation Funds
- Uses of Transportation Funds
- Highway Fund and Highway Trust Fund

Handout #5

DOT Funding

FY01-02 Million \$

Highway Fund	\$1,319
Highway Trust Fund	\$989
Federal Funds	\$810
General Fund	\$10
Department Receipts	\$12
TOTAL	\$3,139

North Carolina Transportation Program FY01-02

(includes federal funds)

Construction	\$1,632
Maintenance	\$579
Powell Bill	\$136
Administration	\$132
DMV	\$112
Public Transportation	\$72
Rail	\$31
Airports	\$28
Ferry Operations	\$20
Other	\$397
TOTAL	\$3,139

Highway Fund and Highway Trust Fund

	Highway Fund	Highway Trust Fund
Budget FY01-02	\$1.3 billion	\$1 billion
Major Funding Sources	Motor Fuels Tax \$911 million Licenses and Fees \$376	Motor Fuel Tax \$300 million Highway Use Tax \$570 Title Fees \$94
Major Uses	Maintenance \$579 Construction \$128 State Highway Patrol \$132 DMV \$101 Powell Bill \$87	Construction \$734 Transfer to Gen. Fund \$171 Powell Bill \$49 Administration \$34
Status of FY01-02 Budget	Within 1-2%	Within 1-2%
Method of Allocation	Appropriation; some by statutory formula	Statutory formulas; individual projects by Board

Special Provision on Cash Flow Management
(millions)

Fiscal Year	Pavement Preservation*	Preliminary Engineering	Computerized Traffic Signals	Public Transportation	TOTAL
FY01-02	\$170	\$15	\$15	\$20	\$220
FY02-03	\$150	\$15	\$15	\$25	\$205
FY03-04	\$150	\$15	\$15	\$75	\$255
TOTAL	\$470	\$45	\$45	\$120	\$680
*Up to 10% of these funds can be used for certain highway improvement projects.					

Highway Trust Fund and the General Fund

- The transfer of \$170 million from the Highway Trust Fund to the General Fund will grow to \$172.4 million in FY02-03 as a result of removing the \$1,500 cap on the Highway Use Tax.
- The Governor took an additional \$80 million from the Highway Trust Fund in February 2002.
- As a result of the cash flow provision and the additional transfer by the Governor, the Highway Trust Fund cash balances are fully obligated.

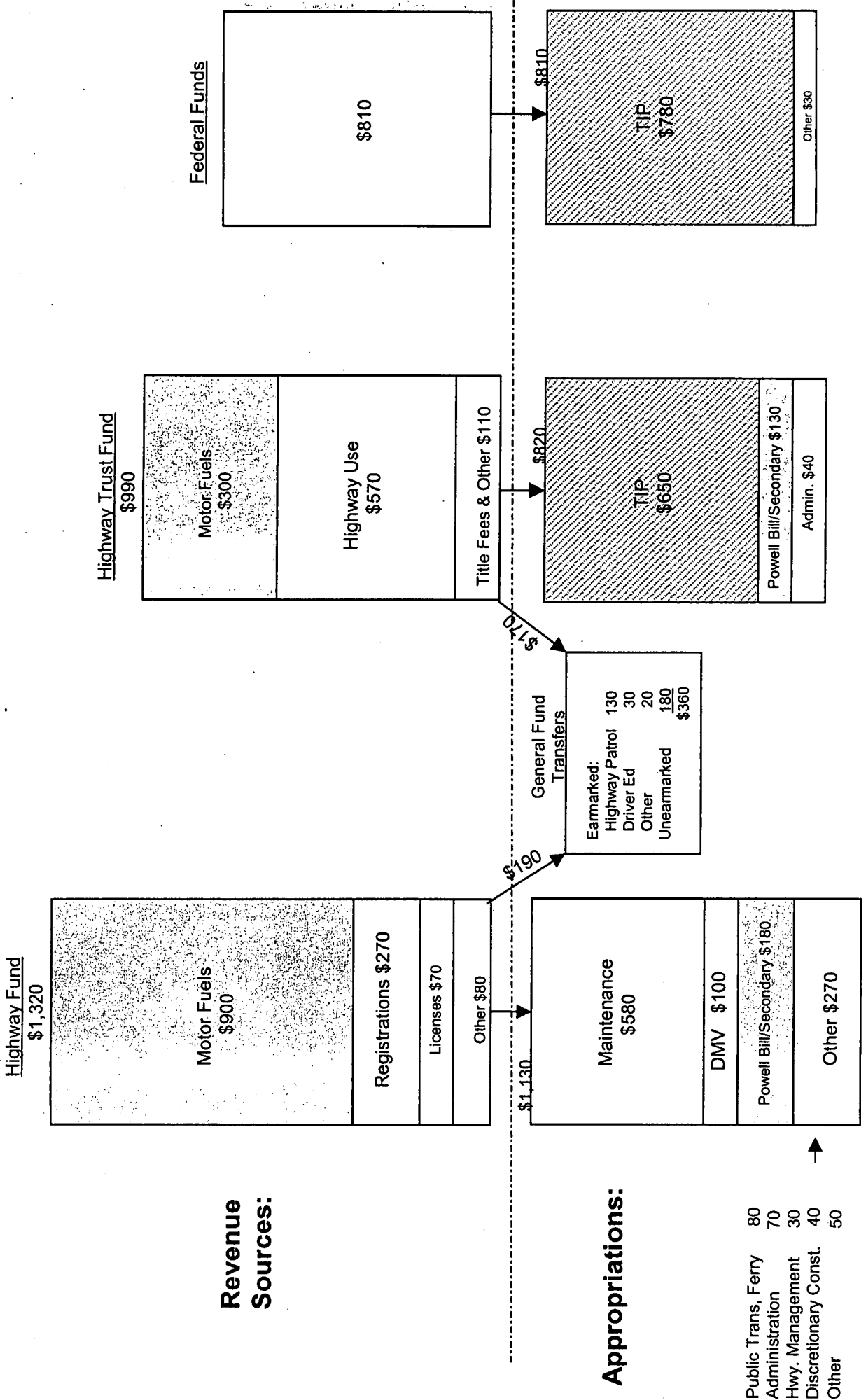
Transportation Needs

- Even with additional funds from the cash flow provision, annual maintenance expenditures are still \$50 million short.
- Post-Year TIP: Identified but unfunded projects are estimated at \$11 billion.
- Widening of Interstate Highways: Approximately \$4 billion needed but not budgeted.
- Bridge replacement: About 3,400 bridges need replacement at a cost of \$2.8 billion.
- Public Transportation: New Start programs in Mecklenburg and the Triangle are expected to require State funding of \$610 million over the next ten years.
- High speed and other passenger rail.

Transportation Indicators, Transportation Funding, and the
General Fund

- In the ten years ending in FY00-01:
 - Vehicle miles traveled grew by 43%
 - Paved lane miles grew by 17%
 - Total transportation funding grew by 33% (inflation adjusted)
 - The General Fund grew by 42% (inflation adjusted)

HIGHWAY FUND, HIGHWAY TRUST FUND AND FEDERAL FUNDS (\$ MILLIONS, 2001-2002)



VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

April 24, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Sharon Matthews	DOT - Dmv
Milton Alford	OSBM
Colvin Leggett	NC DOT - Program Development
Mike Stanley	" " "
LARRY SAUS	"
Susan Conrad	DOT
C. A. Gardner	CAPRA
Sheri Anderson	DOT
Wayne Stallings	NC DOT
Ruth Sappie	NC DOT
Donna Benton	NC DOT

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation
 Name of Committee

April 24, 2002
 Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lyman Cooper	CSX Railroad
Elizabeth Ouzts	NCPIRC
V L McBride	YDA
W.M. Anthony	State Hwy Patrol
M W Beson	Capital Group
John Hancock	Mane
Bandra Roney	Martin Marotta
J Ranzani	NCPITA
Christopher Vespa	WELL

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)

Sent: Wednesday, April 24, 2002 2:32 PM

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet **JOINTLY WITH THE SENATE** as follows:

DAY & DATE: **Wednesday, May 1, 2002**

TIME: **9:30 a.m.**

LOCATION: **1327/1228**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **2:35 p.m.** on **April 24, 2002.**

___Principal Clerk
___Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

Joint Appropriations Transportation Subcommittee

May 1, 2002
9:30 am
Room 1228/1327LB

Chairs

Representative Nelson Cole
Representative Jim Crawford
Senator Wib Gulley

AGENDA

- DOT Accounting System Update
- Financial Impact of Court Decision on Fines and Forfeitures
- DOT Work Order System

Wayne Stallings, Chief Financial Officer, DOT

- Personnel Report
 - Recruitment and Retention
 - Span of Control

Becky Keith, Director, Human Resources, DOT

JOINT APPROPRIATIONS COMMITTEE ON TRANSPORTATION

Minutes

May 1, 2002

9:30 A.M.

Room 1228 L.B.

The Joint Appropriations Subcommittee on Transportation met on May 1, 2002 at 9:30 a.m. in room 1228 of the Legislative Building. Representative Crawford called the meeting to order and presided until Senator Gulley arrived. Two members of the Senate committee were in attendance. A visitor registration list is attached and made part of these minutes. The following members of the House were present:

Rep. Jim Crawford
Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Dan Blue

Rep. Lorene Coates
Rep. Jerry Dockham
Rep. Jim Gulley
Rep. Drew Saunders

Representative Crawford opened the meeting and introduced Mr. Wayne Stallings, Chief Financial Officer with DOT. He began by giving the Accounting System update. See handout #1. The department entered into a contract with SAP America to implement its new financial information system using SAP R/3 software as its base with the "go-live" date for sometime in fall 2002, rather than July 1, 2002. If SAP completes the project as planned, the total cost will be \$49.7 million. Senator Gulley arrived and took over as chairman of the committee. It is hopeful that the project will stay within the budget even though it is taking longer than planned. The staffing for this project team consist of 54% DOT staff and 44% SAP staff. The old system was obsolete and needed replacing and will prove to be more efficient.

Mr. Stallings then talked about selective school boards in the state that have sued the state to recover civil fines and penalties currently deposited into the Highway Fund for local school finance. See handout #2. If the appeal is unsuccessful the plaintiffs are entitled to all penalty revenue now received by the Highway Fund. The plaintiffs may also seek recovery of penalty revenue from up to three years prior to the date on which they filed suit. The possible financial loss to the Highway Fund could be large. Discussion followed.

Senator Gulley then asked Mr. Stallings to talk about the funding methods for positions in DOT, see handout #3. The funding is handled in two categories. One group is budgeted and the other positions are funded through charges to project/work orders. Currently 3,087 positions are budgeted in salaries of \$117.1 million. These positions are funded by the Highway Fund, Highway Trust Fund and other receipts. Mr. Stallings indicated that 85% of these positions are filled. The other category, positions that charge their time to projects and work orders, are not budgeted by the General Assembly. There are 11,287 positions in this category with budgeted salaries of \$362.7 million. These funds are budgeted from different funds.

Senator Gulley introduced Becky Keith, Director of Human Resources with DOT. She talked about the recruitment and retention of personnel, see attachment #4. The department is experiencing a great amount of turnover. A lot of the recruiting for engineers and technicians is done through the engineering schools at the universities. The highest turnover rates are for Transportation Technicians I and II in the metropolitan areas. When these rates are 10% and above it becomes a problem. Their inability to recruit and retain engineers and technicians causes several workflow issues.

The department currently serves as the leader in State Government in the TeleDot Program. As of May 1, 2002, 200 employees were teleworkers and telecommuters. It is estimated that 50,116 miles are saved per month by the 200 teleworkers and telecommuters. They also implement the alternative work schedule with 421 employees who work a variety of alternative schedules to meet their personal needs and yet perform their jobs with a high degree of efficiency. They also do exit interviews, which they feel is a useful tool to improve in the areas that are weak.

Representative Bowie asked Ms. Keith the length of time the engineers stay with the department. She said they leave after they get enough experience, three to five years, to obtain their professional engineers license. They then become more valuable to the private sector and leave the state. Representative Bowie asked Ms. Keith to find out the numbers that leave in this type of situation. Ms. Keith said she would get back with the committee on this.

In summery, Ms. Keith said that in previous years, engineers and technicians were attracted to State Government and DOT because of insurance benefits, competitive salaries and job security. Now it seems that these three issues are not important in retaining employees. She feels that the state is loosing its best work candidates. Discussion followed on the state's health plan and ways to keep the engineers and technicians with State Government.

Ms. Keith then talked on the Span of Control Study, see handout #5. In 1995 the General Assembly required the Office of State Budget and Management to conduct this study. In August 1996, each agency reviewed their report and proceeded with implementation of provisions, which would limit agencies to no more than seven organizational levels and eliminate supervisory positions where fewer than four employees were supervised. DOT has worked very diligently on this and has 11 management organizational levels while DMV has eight management organizational levels. The departments have worked hard to decrease these levels but been unable to but will look into decreasing these.

Joint Appropriations Subcommittee on Transportation

May 1, 2002

Page 3

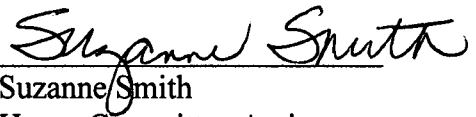
Senator Gulley announced that the next scheduled meeting for the committee would be on Tuesday, May 7, 2002, at 2:00 p.m. rather than Tuesday morning as planned. The Transportation/Appropriation Committee Co-chairmen and Appropriations Committee Chairmen are scheduled to go visit Global Transit Park in the morning of the 7th.

There being no further business, Senator Gulley adjourned the meeting at 11:05 a.m.

Respectfully submitted:



Senator Wib Gulley
Chairman, Senate Committee



Suzanne Smith
House Committee Assistant

Summary of NCDOT Effort to Replace Its Financial Information Systems

1. Background

- 1995: The General Assembly instructed the State Controller and NCDOT to devise a plan to replace all the financial information systems in the DOT except payroll.
- 1996: The State Controller recommended that NCDOT acquire commercial off the shelf software and enhance it as necessary to replace its financial systems.
- 1998: NCDOT issued a Request for Proposals to qualified firms to provide, enhance and install a software package to meet the Department's financial information requirements.
- 2000: NCDOT entered into a contract with SAP America to implement its new financial information system using SAP R/3 software as its base. The "go-live" date was set for July 1, 2002.

2. Current Status

At the recommendation of SAP, and with the concurrence of DOT the go live date has been postponed. SAP determined that additional time was needed to complete system development, and testing. Additionally, more time is needed to prepare and train the DOT workforce to use the system. A revised detailed project plan is being developed by SAP. DOT has requested, and SAP has agreed, to have this revised plan validated by an independent third party at SAP expense. The final plan, which is due on May 3, 2002, will establish the new go live date. These schedule changes will not affect the final contract price paid to SAP. In addition, SAP has agreed to augment its project team by approximately 25% to get the system completed successfully.

3. Budgeted and Actual Expenditures (in millions)

	<u>Budget</u>	<u>Actual to</u>		<u>% Left</u>
		<u>Date</u>	<u>Balance</u>	
SAP Contract	\$ 31.5	\$ 16.4	\$ 15.1	48%
DOT Costs	<u>18.2</u>	<u>13.9</u>	<u>4.3</u>	<u>24%</u>
Total	\$ 49.7	\$ 30.3	\$ 19.4	39%

4. Staffing of the Project Team

	<u># of Staff</u>	<u>% of Team</u>		<u># of Staff</u>	<u>% of Team</u>
SAP Staff (base)	45		DOT Employees	49	
SAP Staff (enhancement)	<u>12</u>		DOT Contractors	<u>22</u>	
Total SAP	57	44%	Total DOT	71	54%
Other State Agencies	3	2%	Total Core Team	131	100%
DOT "Superusers"	120				

5. Other SAP Based Projects in DOT

NCDOT has been favorably impressed with the enterprise wide potential of the full suite of SAP software. The Department has obtained permission from IRMC to proceed with several other initiatives using SAP software.

Upgrade license to mySAP
 Project Management Improvement Initiative (for TIP projects)
 Business Warehouse
 Information Technology Project Management

Comments on the Possible Financial Impact of School Boards' Law Suit to Obtain Highway Fund Penalty Revenues

Selected school boards in North Carolina have sued the state to obtain the proceeds of civil fines and penalties currently deposited into the Highway Fund for local school finance. Recently the lower court found in favor of these plaintiffs. The Attorney General has appealed this ruling to the North Carolina Supreme Court. If the appeal is unsuccessful the plaintiffs are entitled to all penalty revenue now received by the Highway Fund. The plaintiffs may also seek recovery of penalty revenue from up to three years prior to the date on which they filed suit. The possible financial loss to the Highway Fund is large. The amount of revenue that may be at issue is enumerated below.

**North Carolina Highway Fund
History of Revenue From Penalties**

Fiscal Year	Amount Collected	
	Annual	Cumulative
2002-03 Budget	\$ 15,000,000	\$ 15,000,000
2001-02 Estimated	15,000,000	30,000,000
2000-01	13,263,785	43,263,785
1999-00	8,453,829	51,717,614
1998-99	8,069,143	59,786,757
1997-98	8,021,271	67,808,028
1996-97	5,867,612	73,675,640

RECRUITMENT AND RETENTION

Like so much of State Government, we are experiencing a considerable amount of turnover in our transportation engineers and technician classes.

We compiled and analyzed data on turnover in 2001 for our engineers and technicians. The data was based on voluntary separations which do not include dismissals, retirements, death, and promotions. Although the overall statewide voluntary turnover rate on all engineering and technician classes was relatively low (5.35% for engineers and 4.40% for technicians), we have high turnover rates in metropolitan areas. This is demonstrated in the Wake County totals which reflect 9 ½ and 11% turnover for engineers and approximately 15% and 11 ½% for technicians. These charts are the first two attachments in your package of information

The highest engineer turnover rates were Transportation Engineer I and II, and Transportation Engineering Supervisor II and III. We have completed a labor market salary survey for the engineer classes and it supports that our rates are off for these particular classes. This salary survey has been placed on hold due to the current budget constraints.

The highest technician turnover rates were for Transportation Technician I and II. We are currently working with the Office of State Personnel on a competency based pay system which should help in the transportation technician area. Competencies are a set of observable and measurable characteristics of an individual that can be shown to predict effective performance. These encompass: knowledge, skills, abilities, and attributes. Competency based pay objectives are flexibility, equity, career development, market competitive, and meshing with performance management. We believe that implementation of the competency based pay objective will help us with recruiting and retaining transportation technicians.

A lot of people feel that geographical differences (ex. metro and urban vs rural) are a major factor in our recruitment problems.

Wake County is a difficult to recruit area because of the competitive construction industry. However, there is a similar problem in your Chowan and Jackson Counties. Because of the limited employment for civil engineers in these areas, it is difficult to attract people to these areas. Division One in Chowan County posted a Transportation Engineer II (Bridge Engineer) five times prior to obtaining a viable, qualified applicant. Our Roadway Design Unit presently has a total of 39 vacancies out of 159 positions for a vacancy rate of 24 ½%. Structure Design has a vacancy rate of 13% (174/23). Some positions have been posted as many as eight times in these areas.

Our inability to recruit and retain engineers and technicians causes several work flow issues:

- (1) When we stay in a state of constant training of new engineers and technicians, we never really reach full production potential for two positions. Our senior engineers and technicians must devote their time to training new employees.
- (2) We currently are a training ground for consultants who can offer better salaries and benefits than State Government employment. The consultants are able to reap the benefits of our engineer's expertise.
- (3) While outsourcing is an important part of DOT management's workplan, we end up outsourcing more at greater costs because of our inability to retain engineers and technicians.

Although DOT currently has a high number of engineer and technician vacancies, it is not based on lack of need but on our inability to recruit and fill them.

Proactive Steps:

- (1) Transportation Engineering Associate Program - The number of civil engineering graduates has decreased over the past several years. We have established a sound-recruiting program directly with the engineering schools at various universities in the Southeast. We have engineers from our different DOT disciplines accompany our recruiter so that they can tell about the actual DOT work experience. This is also a good minority recruiting tool.
- (2) Continuous postings for Transportation Technician I - The two year CET graduates are very few and are hired very quickly in the private sector. Part of our recruiting program involves the ability to make on site job offers. OSP has given us this flexibility for this class due to the recruiting difficulty.
- (3) Retention Adjustments can be granted for employees who have bonafide job offers in the private sector. In 2001, eight (8) retention adjustments were granted to DOT employees to retain their services.
- (4) Additionally to assist in recruiting, we have lowered some of the experience requirements insofar as crediting experience previously not given for qualifying for engineer classes. We also have allowed the substitution of related degrees in lieu of a civil engineering degree.

- (5) TeleDot Program - We presently serve as the leader in State Government in this area. As of May 1, 2002, we have 200 employees on this program (teleworkers and telecommuters). It is estimated that 50,116 miles are saved per month by the 200 teleworkers and telecommuters. Other savings are reflected on the attachment. Management's perception of the TeleDot Program is very positive and most feel that it is definitely a morale booster.

Alternative Work Schedule - Obviously not all jobs lend themselves to teleworking. We presently have 421 employees who work a variety of alternative schedules to meet their personal needs and yet perform their jobs with a high degree of efficiency.

Both of these programs have helped us retain employees we might otherwise have lost to the private sector.

- (6) Exit Interview Information - It is a requirement that all employees leaving DOT complete the attached form. It serves a dual purpose: the first one is to ensure that all DOT property is returned and that security procedures are followed. The second part of the form allows the exiting employee to tell us the reasons they are leaving as well as indicate their degree of job satisfaction. This data is input into a central computer program for analysis. This is relatively new but we are hoping that turnover trends can be identified and responded to.

For example, out of 211 exit interviews for all types of employees in 2001, 98 employees or 46% left for better employment. This included better salary, better benefits, and better insurance.

Summary:

In previous years, engineers and technicians were attracted to State Government and DOT for three reasons: (1) benefits (insurance is a key component - we are losing people because of increasing insurance coverage costs); (2) competitive salaries, and (3) job security.

I am afraid that somewhere down the line we will end up with a weak and inefficient workforce if things continue as they are. The only thing that is helping us now is the general state of the economy as a whole. The present freeze prohibits promotions, trainee adjustments to which employees are entitled, and reallocations upward to recognize increased responsibility. The present limitations within the existing personnel system do

not allow the flexibility to reward employees for doing a good job or recognize expertise not directly associated with years of experience. An extended period of this will only add to our difficulties in recruiting and retaining engineers and technicians.

The initiatives outlined earlier have helped us in this area, but I think we must recognize that we do have a serious problem in the recruitment and retention of engineers and technicians.

Engineer and Technician 2001 Turnover Analysis

Job Title	Schem Code	SG	# Empl 1/01-12/01	Voluntary 1/01-12/01		Total 1/01-12/01	
				Septs	% Rate	Septs	% Rate
Transportation Engineer I	08327	74	283	21	7.42%	23	8.13%
Transportation Engineer II	08328	76	222	16	7.21%	26	11.71%
Transportation Engineer III	08329	78	117	4	3.42%	8	6.84%
Transportation Staff Engineer I	08256	74	10	0	0.00%	3	30.00%
Transportation Staff Engineer II	08265	76	6	0	0.00%	0	0.00%
Transportation Staff Engineer III	08268	78	7	0	0.00%	0	0.00%
Transportation Staff Engineer IV	08270	80	6	0	0.00%	0	0.00%
Transportation Eng. Supv. I	08350	76	29	0	0.00%	1	3.45%
Transportation Eng. Supv. II	08351	78	205	11	5.37%	17	8.29%
Transportation Eng. Supv. III	08352	79	65	4	6.15%	7	10.77%
Transportation Eng. Mgr. I	08354	81	79	1	1.27%	3	3.80%
Transportation Eng. Mgr. II	08355	83	10	0	0.00%	0	0.00%
Transportation Eng. Dir. I	08356	84	22	0	0.00%	2	9.09%
Transportation Eng. Dir. II	08357	86	4	0	0.00%	1	25.00%
Total Engineers			1065	57	5.35%	91	8.54%
Transportation Technician I	08289	63	221	16	7.24%	22	9.96%
Transportation Technician II	08290	65	456	25	5.48%	34	7.46%
Transportation Technician III	08291	67	388	9	2.32%	15	3.87%
Transportation Technician IV	08293	69	373	10	2.68%	22	5.90%
Transportation Technician V	08296	71	72	6	8.33%	9	12.50%
Transportation Technician VI	08298	73	35	2	5.71%	3	8.57%
Total Transportation Tech			1545	68	4.40%	105	6.80%

Engineer and Technician 2001 Wake County Turnover Analysis

Job Title	Schem Code	SG	Wake # of Empl 1/01-12/01	Wake Total 1/01-12/01	
				Septs	% Rate
Transportation Engineer I	08327	74	157	15	9.55%
Transportation Engineer II	08328	76	186	21	11.29%
Transportation Engineer III	08329	78	119	8	6.72%
Transportation Staff Engineer I	08256	74	2	0	0.00%
Transportation Staff Engineer II	08265	76	6	0	0.00%
Transportation Staff Engineer III	08268	78	7	0	0.00%
Transportation Staff Engineer IV	08270	80	6	0	0.00%
Transportation Eng. Supv. I	08350	76	22	1	4.55%
Transportation Eng. Supv. II	08351	78	102	11	10.78%
Transportation Eng. Supv. III	08352	79	64	7	10.94%
Transportation Eng. Mgr. I	08354	81	34	3	8.82%
Transportation Eng. Mgr. II	08355	83	7	0	0.00%
Transportation Eng. Dir. I	08356	84	8	2	25.00%
Transportation Eng. Dir. II	08357	86	4	1	25.00%
Total Engineers			724	69	9.53%
Transportation Technician I	08289	63	27	4	14.81%
Transportation Technician II	08290	65	113	13	11.50%
Transportation Technician III	08291	67	105	4	3.81%
Transportation Technician IV	08293	69	121	7	5.79%
Transportation Technician V	08296	71	34	5	14.71%
Transportation Technician VI	08298	73	32	2	6.25%
Total Transportation Tech			432	35	8.10%

TELEDOT

Program Summary : Telework Project began 7-1-00.

- ❖ **May 1, 2002- 170 actual Teleworkers (employees working at home) plus #30 Telecommuters (employees commuting straight to specific job site)**
- ❖ **Current # of Teleworkers = #170**
- ❖ **Telework Days range from 1 to 5 days per week**
- ❖ **Total Miles reduced (round trip) per month = 50,116**
- ❖ **Total Gas cost savings per month = \$17,222.40**
- ❖ **Total Food cost savings per month = \$14,968**
- ❖ **Total Clothing costs (Cleaning, etc.) per month = \$7,404**
- ❖ **Total Other costs saved per month = \$ 3,028**
- ❖ **Total Parking expenses saved per month = \$1,597**
- ❖ **Additional Costs savings include: travel time, vehicle maintenance**
- ❖ **Management's perception is that production has increased significantly and employee morale is better. Work & Family life easier to balance.**

Alternative Work Schedule

- ❖ **Currently have 421 employees in the program.**
- ❖ **Variations include 4-10 hour days, 4-9hrs and 1/2 day off Friday.**

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

EMPLOYEE SEPARATION CHECKLIST

The purpose of this checklist is to ensure that employees separating from DOT employment are informed: (1) of their rights for extension of health care coverage under COBRA; (2) other benefit coverage issues; and (3) that all property belonging to NCDOT is returned and acknowledged for audit purposes. Completion of the checklist is the responsibility of the employee and employee's immediate supervisor and should be signed by both.

<u>RETURN OF ADVANCES & NCDOT PROPERTY</u>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>RETURN TO (INITIALS)</u>	<u>EMPLOYEE (INITIALS)</u>
The following property has been returned:					
Outstanding Travel Advances or Petty Cash Advances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
NCDOT Security Identification Badge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Building, Office and/or State Vehicles Keys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
File Cabinet & Desk Keys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Credit Cards: Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
American Express	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
State Car / State Truck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Vehicle# _____ Model _____ Make _____					
Equipment: Cellular Phone, Charger & Adapter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Pager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
List others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Assigned Computer Hardware/Software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Computer Lap Top / Portable Computer returned	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Password Deactivated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
BENEFITS					
The following items have been reviewed with the employee:					
Health Care Coverage: COBRA Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Retirement Health Care Enrollment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Vacation & Sick Leave Balances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Payment of Terminal Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Retention / Withdrawal of Retirement Contributions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Separation from NCFLEX Plan (Impact)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

BENEFITS Cont'd.

	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>RETURN TO</u> <u>(INITIALS)</u>	<u>EMPLOYEE</u> <u>(INITIALS)</u>
Separation from all other Insurance Programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Separation from Tax Deferred Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Deferred Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
401 (K)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Other Payroll Deductions:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
(Credit Union, Parking, Savings Bonds etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Educational Assistance funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____

Job Performance Evaluation close-out

Performance Evaluation conducted, reviewed with Employee & copy provided to employee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
--	--------------------------	--------------------------	--------------------------	-------	-------

This list is a correct record of discussion regarding the review of benefits upon separation from employment and of property that was returned by me to the North Carolina Department of Transportation upon separation from employment.

Employee Signature: _____ **Date:** _____

Supervisor Signature: _____ **Date:** _____

Distribution:

- *Original to Employee
- *Copy to Division Personnel File
- *Copy to Human Resources Office

Exit Interview Questionnaire

Department of Transportation

Name: _____ Date: _____

Department: _____ SSN: _____

Classification: _____ Salary: _____

Supervisor: _____

Date of Separation: _____

Concerning your job with the Department of Transportation, please indicate your level of satisfaction with the following:

	<u>Very Satisfied</u>	<u>Satisfied</u>	<u>Less Than Satisfied</u>
1. Your hours of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The supervision received	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Your salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Working conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Amount of work required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Orientation to Department when hired	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Clearly explained policies & procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Adequate training & instruction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Employee Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Type of work you did	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Recognition of your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Challenge of your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Opportunity for advancement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Work location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Work schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: _____

Reasons for leaving NCDOT (check one or more):

- | | |
|---|---|
| <input type="checkbox"/> Other employment | <input type="checkbox"/> Dissatisfaction with present job |
| <input type="checkbox"/> Return to school | <input type="checkbox"/> Opportunity to better utilize experience/education |
| <input type="checkbox"/> Relocation | <input type="checkbox"/> Self-employment |
| <input type="checkbox"/> Stay at home with children | <input type="checkbox"/> Other _____ |
- _____

If leaving for other employment, please indicate if your new job offers:

	YES	NO
1. Better salary	<input type="checkbox"/>	<input type="checkbox"/>
2. Better employee benefits	<input type="checkbox"/>	<input type="checkbox"/>
3. Lower cost of insurance	<input type="checkbox"/>	<input type="checkbox"/>
4. More desirable work location	<input type="checkbox"/>	<input type="checkbox"/>
5. More suitable/different type of work	<input type="checkbox"/>	<input type="checkbox"/>
6. Better opportunity for advancement	<input type="checkbox"/>	<input type="checkbox"/>
7. More challenging responsibilities	<input type="checkbox"/>	<input type="checkbox"/>
8. More flexible working hours/teleworking	<input type="checkbox"/>	<input type="checkbox"/>
9. Better working conditions	<input type="checkbox"/>	<input type="checkbox"/>

Please provide any specific comments regarding your position with NCDOT:

Suggestions for improving/enhancing your past position with NCDOT:

Span of Control Study

The 1995 General Assembly required the Office of State Budget and Management (OSBM) to conduct a study of span of control in state government.

Agencies were asked to collect data and report it to OSBM. In May 1996, OSBM generated a report on the Study of State Agency Spans of Control and Organizational Levels. In August 1996, Governor Hunt asked each agency to review the report and proceed with implementation of provisions which would eventually limit agencies to no more than seven organizational levels and eliminate supervisory positions where fewer than four employees were supervised.

DOT has 11 management organizational levels. This means that from the lowest position in the organization (Transportation Worker) to the Secretary of DOT, there are 11 different levels of management.

Our first supervisory level is the Transportation Supervisor I who supervises a crew of Transportation Workers.

Out of 14, 485 total positions, including DMV, 2188 are supervisory positions. Our average supervisor exercises supervisory responsibility for over 6 employees.

DMV, specifically has 8 management organizational levels; 12% (223) of the 1820 DMV positions are supervisors. The average supervisor exercises supervisory responsibility for over eight employees.

The sheets you were given reflect this data. It is categorized by the numbers of managers/supervisors at each level (layer) of management.

The original goal of the span of control initiative was to eliminate the number of supervisors who supervised three or less employees, and to reduce the number of organizational levels if possible. DOT has worked diligently on this and feel that we have been successful in the span of control initiative.

Span of Control Statistics Department of Transportation

		Position Totals By Level Number										
		1	2	3	4	5	6	7	8	9	10	11
	Total Non-Supv Pos.	1	12	37	88	140	264	315	581	482	239	11
	12,297											
	Total Supv. Pos.											
	2,188											
						Total Pos.		% Supv per Staff		Average Span		
						14,485		15.11%		6.62		

DOT has the following:
 11 management organizational levels.
 14,485 total positions.
 15% of the 14,485 positions (2,188) are supervisors.
 The average supervisor supervises (span of control) over 6 employees.

Span of Control Statistics

Division of Motor Vehicles

Position Totals By Level Number

Level	1	2	3	4	5	6	7	8	9
Count	1	2	4	6	13	37	112	18	1

Total Non-Supv Pos.	1597
Total Supv. Pos.	223
Total Pos.	1820
% Supv per Staff	12.25%
Average Span	8.16

DMV has the following:
 8 management organizational levels.
 1820 total positions.
 12% of the 1820 positions (223) are supervisors.
 The average supervisor supervises (span of control) over 8 employees.

Joint Appropriations Transportation Subcommittee

May 7, 2002
2:00 pm
Room 1228/1327LB

Chairs

Representative Nelson Cole
Representative Jim Crawford
Senator Wib Gulley

AGENDA

- Cash Management Update – Gene Conti, Chief Deputy Secretary, DOT
 - Projected Impacts of Highway Maintenance Initiatives – Steve Varnedoe, State Maintenance and Equipment Engineer, DOT

- Global TransPark – Gene Conti
 - Budget Proposal
 - Aviation Division Report on Transfer of GTP Airport Assets and Operations

- Productivity Pilot Programs (Budget Bill, Section 27.22A) – David King, Deputy Secretary, DOT

- Span of Control – Anne Bander, Management Section, Office of State Budget and Management

Joint Appropriations Subcommittee on Transportation
Tuesday, May 7, 2002
9:30 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 9:30 am on Tuesday, May 7, 2002 in Room 1228 of the Legislative Building. Five Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Coates, Davis, Dockham, Gulley, and McAllister. Senator Wib Gulley presided.

Senator Gulley first asked Gene Conti, Chief Deputy Secretary of the Department of Transportation (DOT), to speak on the projected impact of the highway maintenance initiatives. **See Handout #1.** After Mr. Conti make his brief remarks, Steve Varnedoe, State Maintenance and Equipment Engineer with DOT, continued the report on the impact of highway maintenance initiatives. **See Handout #2 and Handout #3.** Mr. Varnedoe told the Committee that the primary road system accounted for 20% of the roads, but 60% of the traffic, including all commercial traffic. It was very important, therefore, to concentrate on the maintenance of the primary roads. These figures do not include the interstate system because federal dollars maintain them. Senator Gulley applauded DOT for their quick response to the start of maintenance projects after the budget was passed last year. There was a brief discussion regarding asphalt versus concrete surfaces and money for loop projects.

Next, Mr. Gene Conti gave a report on the Global TransPark. **See Handout #4.** After Mr. Conti's report a lengthy discussion followed. The discussion included questions regarding the air cargo facility, the business plan that was purposed so Global TransPark would not be dependent on DOT, and the Small Airport Service Pilot Program. Senator Berger asked for a list of leasees and the rents being paid. Senator Shaw stated that the Global TransPark Board needed business-minded people on it that would look at new marketing ideas.

Mr. Conti further told the Committee that the Global TransPark was the eighth busiest airport in North Carolina but, because most planes just touch down, the TransPark did not have a positive financial position. Mr. Conti also stated that Commerce Secretary, Jim Fain, was positively involved in the TransPark now, which was not true for the Department of Commerce in the pass. He also wanted the Committee to know that there was some money in the TIP already and he did not expect to make any more significant requests for additional funds.

Next, Mr. David King, Deputy Secretary of DOT, gave is report on Productivity Pilot Programs which was in the budget bill, section 27.22A. Mr. King told the Committee that the Road Oil Division project was underway and the crew attitude was good. He added that the possible \$350-400 per employee bonus was an incentive. There were six applications for a second pilot program and two weeks ago the Bridge Maintenance

Division was selected. The pilot program will begin October 1, 2002 with the 52 employees in the Division. Senator Berger asked how DOT would be able to know if the bridge inspection and road oil divisions were not cutting corners to earn the bonus? Mr. King replied that random quality control checks would be made.

Finally, Ms. Anne Bander from the Management Section with the Office of State Budget and Management gave a report on Span of Control. **See Handout #5.**

After her brief report, Representative Crawford told the Committee that there would be no future meetings due to the Special Session on Redistricting.

The meeting was adjourned at 3:40 PM.



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk

Handout #1

**DOT Cash Management Improvements
Status Report
May 7, 2002**

Cash Management Policies and Practices

Cash Balances:

April Balances

Trends

Cash Projection

Attachment 1

Attachment 2

Attachment 3

Special Cash Flow Authority

Attachment 4

**CASH MANAGEMENT AT
NCDOT**

**JOINT LEGISLATIVE TRANSPORTATION
OVERSIGHT COMMITTEE**

MARCH 12, 2002

AGENDA

- **CASH MANAGEMENT UPDATE**
- **REORGANIZATION OF PROJECT DELIVERY FUNCTIONS**
- **TIP CERTIFICATION**

REQUIREMENTS

SENATE BILL 1005 REQUIRES:

- **UTILIZE CASH FLOW FINANCING TO “MAXIMUM EXTENT POSSIBLE”**
- **“ESTABLISH NECESSARY MANAGEMENT CONTROLS”**
- **“STRENGTHEN PROJECT DELIVERY MANAGEMENT”**
- **REPORT QUARTERLY**

CASH MANAGEMENT

- **1/31/02 COMBINED BALANCE \$810 M (7%
BELOW 1/01)**
- **12-MONTH AVERAGE \$923 M (UNCHANGED)**
- **OBLIGATED \$160 M OF \$680 M CASH
FLOW PROJECTS**
- **PROJECTED 2004 BALANCE \$200 M
– LEGISLATED TARGET \$300 M**

CASH MANAGEMENT

- **DYE MANAGEMENT UNDER CONTRACT**
- **TECHNICAL AND POLICY OVERSIGHT COMMITTEES FORMED**
- **FINANCIAL & PROGRAM MANAGEMENT CHANGES IN DEVELOPMENT**

– BSIP

– PMii

CASH MANAGEMENT

- **REPORTING TOOLS IN DEVELOPMENT**
 - **DAILY CASH POSITION**
 - **MONTHLY FINANCIAL REPORTS**
 - **PROGRAM REPORTS**
 - **ANNUAL RISK ASSESSMENT**
 - **5 YEAR FORECAST**
- **DELIVERY SCHEDULES SET TO COORDINATE WITH BSIP AND PMii**

RESTRUCTURING

PROJECT MANAGEMENT IMPROVEMENT INITIATIVE (PMii)

- **ORGANIZATION-WIDE INTEGRATED SUPPORT SYSTEM FOR PROJECT MANAGEMENT**
- **REPLACING 20 YEAR OLD OUTDATED SYSTEM**
- **SELECTED SAP SOFTWARE TO INTEGRATE WITH FINANCIAL MANAGEMENT (BSIP)**
- **TECHNICAL AND POLICY TEAMS TO IDENTIFY AND RECOMMEND ORGANIZATIONAL CHANGES**

TIP CERTIFICATION

GS 136-176, SECTION 27.23 (e)

(a2) The Department shall certify to the Joint Legislative Transportation Oversight Committee each year, on or before November 1, that use of the Highway Trust Fund cash balances for these purposes shall not adversely affect the delivery schedule of Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program.

ON-TRACK TO CERTIFY NOVEMBER 1, 2002

VIRGINIA'S CASH MANAGEMENT FAILURE

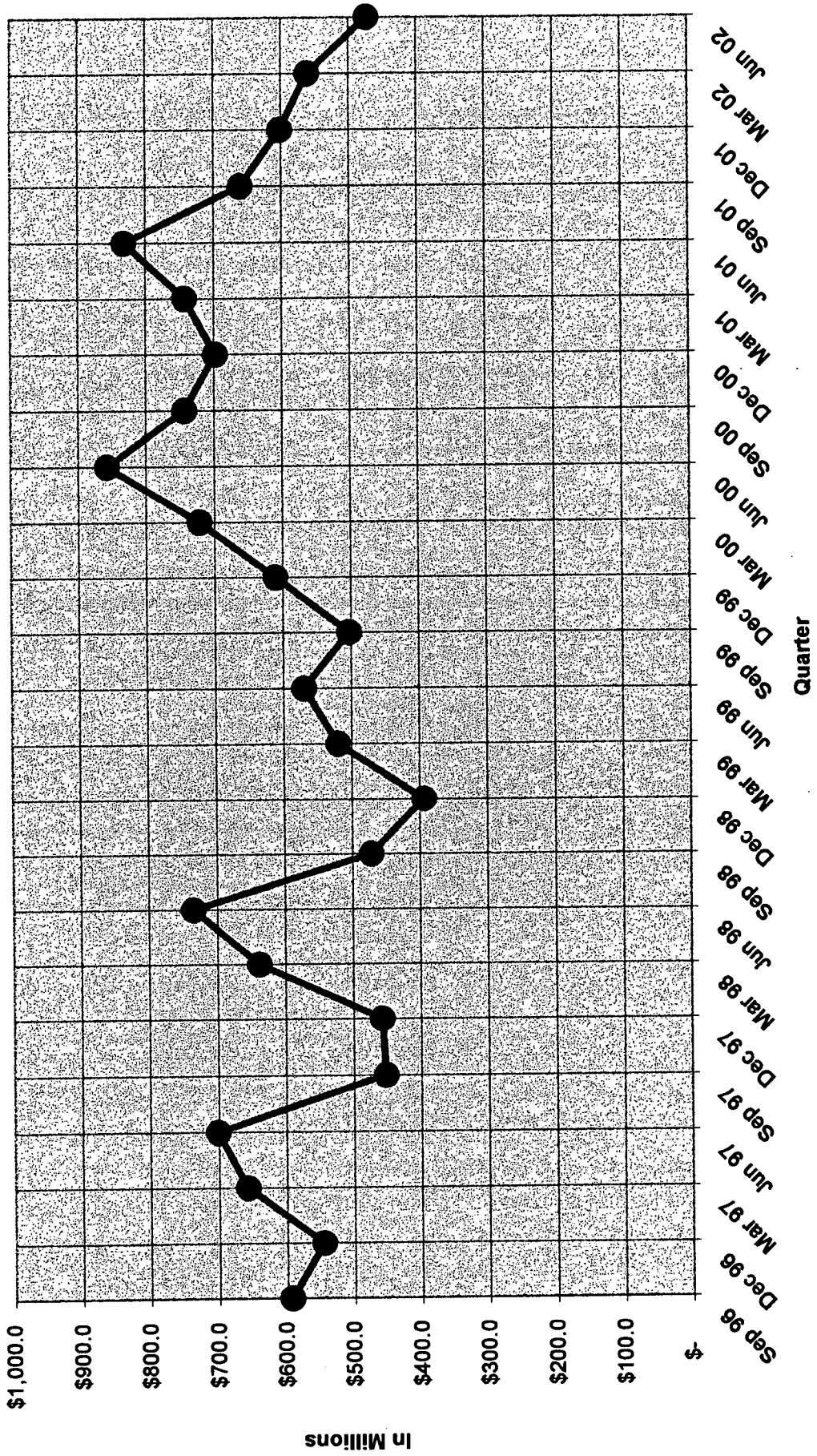
**REVENUE SHORTFALL OF \$143.6 M &
OVER-COMMITMENT OF TIP**

- 30-60 DAY CONSTRUCTION
STOPPAGE ON 120 PROJECTS
(VALUED AT \$255 M)**
- CONSULTANT DESIGN WORK
HALTED UNTIL JUNE 1**

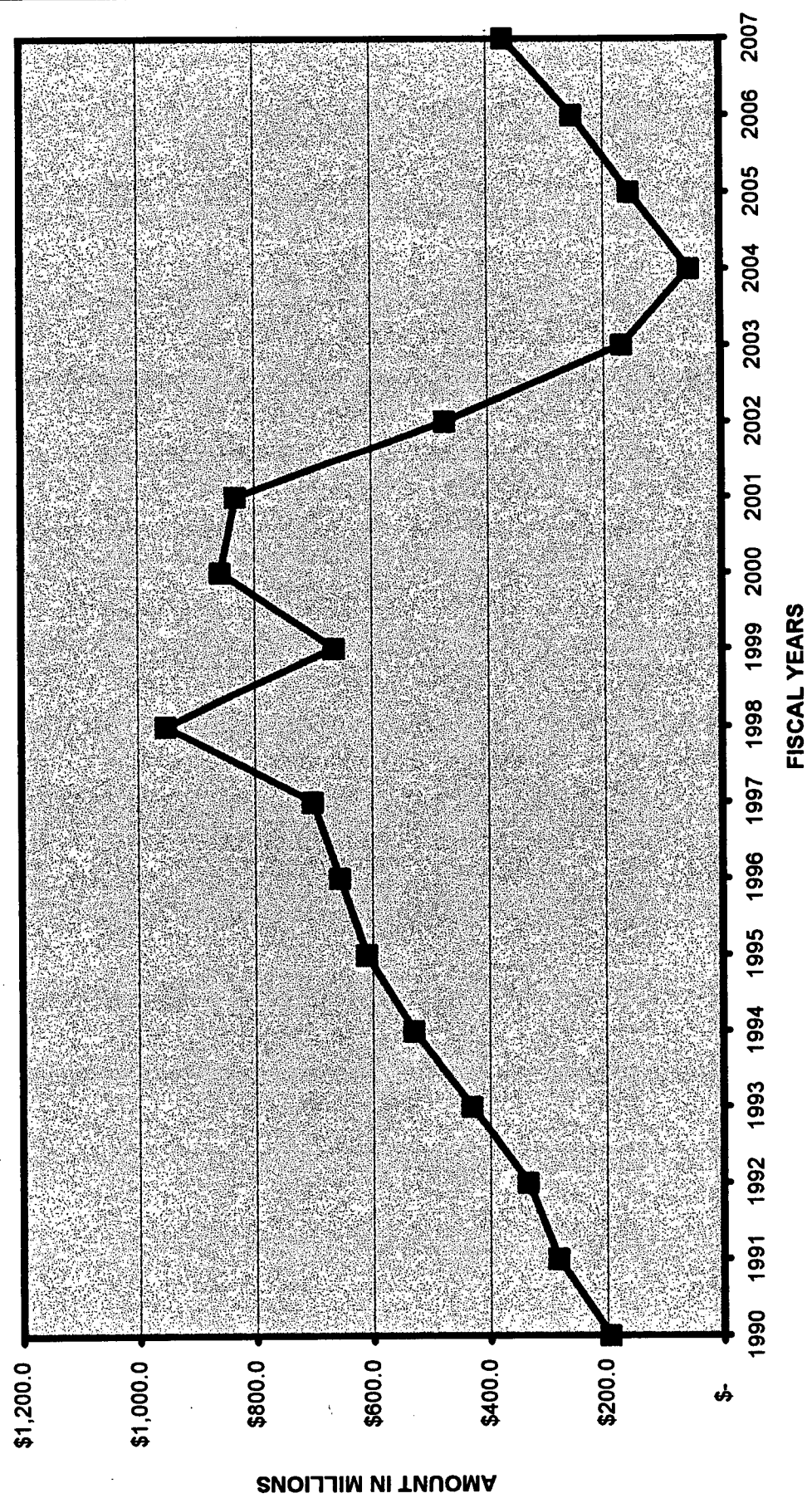
Attachment 1
Transportation Fund Cash Balance
as of April 30, 2002

	<u>2000</u>	<u>2001</u>	<u>% Chg.</u>	<u>2002</u>	<u>% Chg.</u>	<u>% of Revenue</u>
Highway Fund	\$ 291.0	\$ 284.0	-2%	\$ 323.0	14%	24%
Highway Trust Fund	\$ 791.0	\$ 774.0	-2%	\$ 601.0	-22%	62%
Total	\$ 1,082.0	\$ 1,058.0	-2%	\$ 924.0	-13%	41%

Attachment 2
Quarterly Highway Trust Fund Cash Balances Since September 1996



Attachment 3
HIGHWAY TRUST FUND CASH BALANCES AT JUNE 30
ACTUAL 1990-2001, PROJECTED 2002-2007



Attachment 4
Status of Special Cash Flow Authority
March 31, 2002

	<u>Budget</u>	<u>Obligated</u>	<u>Unobligated</u>	<u>Balance</u>	<u>Outlay</u>
Pavement Rehabilitation	\$ 170.0	\$ 150.2	\$ 19.8	\$ 2.3	
Preliminary Engineering	\$ 15.0	\$ -	\$ 15.0		
Traffic Signalization	\$ 15.0	\$ 15.0	\$ -	\$ 1.1	
Public Transportation	\$ 20.0	\$ 3.0	\$ 17.0	\$ 2.0	
Total	\$ 220.0	\$ 168.2	\$ 51.8	\$ 5.4	

Projected Impacts of Highway
Maintenance Related Initiatives
Enacted by the 2001 Session of
the North Carolina
General Assembly



2001 Legislature Takes
Innovative Approach
(SB 1005)

- Pavements
 - \$423 Million over 3 Years
- Economic Development
 - \$47 Million over 3 years
- Signal Systems
 - \$15 Million
- Pre-TIP Project Development
 - \$15 Million



National Recognition

Accelerating Infrastructure Innovations

FOCUS

January 2002

INSIDE

North Carolina Takes a New Approach to Financing Road Maintenance

Attachment A

Faced with a problem confronting many States—where to find money to maintain highways—North Carolina turned to a pre-

balance of \$270 million. The State's Joint Legislative Oversight Committee, seeking to divert some of that money into projects that could immediately help fulfill the

saved over the costs. And another 3 years is desirable signal a



National Recognition

Better Roads

For The Government/Cont

OUR VIEW

by Rust W. Stogler, Editor-in-Chief

Congress: Learn from North Carolina

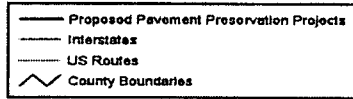
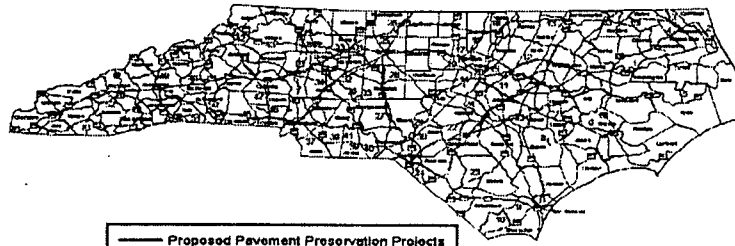
Attachment B

Congress would do well to learn a lesson from the North Carolina General Assembly. Last fall, the state's legislature authorized use of \$470 million in the State Highway Trust Fund reserves to restore primary routes' pavement.



Truly A Statewide Program

Proposed Pavement Preservation Projects 2001-2002



Map prepared by
North Carolina Department of Transportation
08/11/01
October 2001

Projects shown on map are proposed and are
subject to funds availability and final cost



Attachment C



Other Legislative Action

- Maintenance Appropriation Increased
 - Will enable expansion of system preservation initiatives
 - Seal program will increase by \$28 Million
 - Will focus mostly on Secondary System
- Contract Resurfacing Increased
 - Additional \$19 Million (14% increase)
 - Increase in asphalt overlays on Primary & Secondary roads

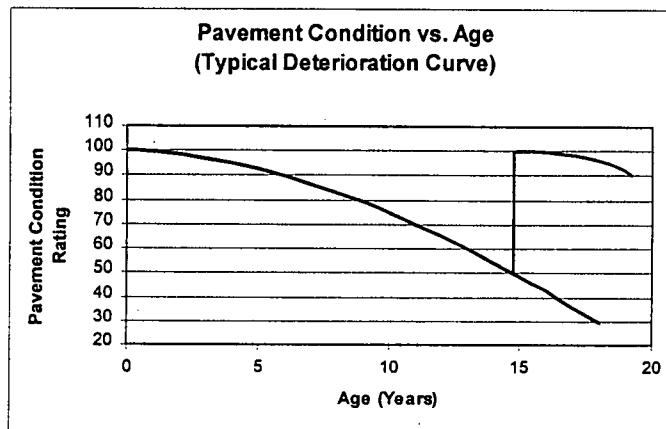


Pavement Maintenance

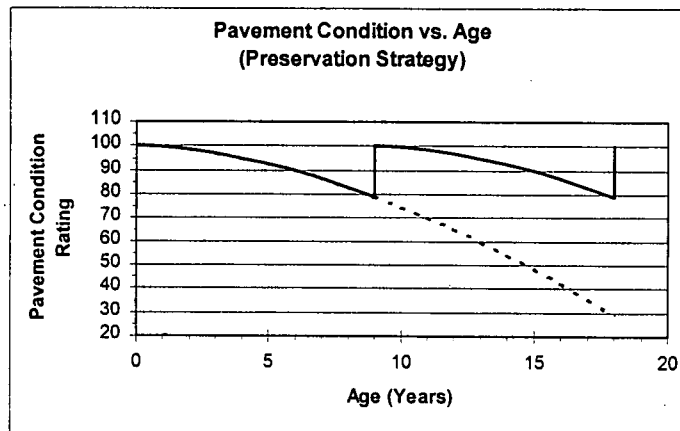
- Past
 - “Worst First” Strategies
- Future
 - Address backlog of pavement needs and implements “Pavement Preservation” strategy



Worst First Strategy



Preservation Strategy



Market Research

- Public wants smooth roads, convenience
- Customers rate outcomes, not outputs
- Customers rate products, not activities
- Customer satisfaction requires measuring what is important to the customer



Why Pavement Preservation?

- Pavement Preservation Makes Sense & ¢'s
 - Savings range from 4:1 to 6:1 over “Worst First”
- Good Pavements Stay Good
 - Smooth Roads
 - Safer Roads
 - Lower Vehicle Operating Costs
 - Improved User Satisfaction
 - Lower Reactive Maintenance Costs (e.g. patching)



Expected Benefits Long Term Cost Savings/Leveling

- Extended time to major rehabilitation, more frequent/less expensive treatments, fewer lane closures all contribute to...
Lower life-cycle costs
- Smoother roads, fewer delays contribute to...
Lower user costs



Expected Benefits

Increased Driver/Worker Safety

- Better functional characteristics
 - Better friction
 - Fewer defects
 - Smoother roads
- Fewer closures (work zones)
- Shorter projects

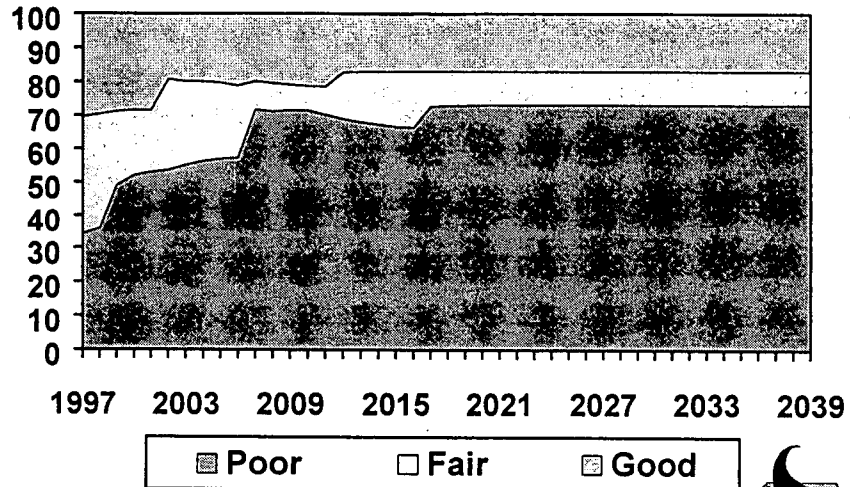


State Experience

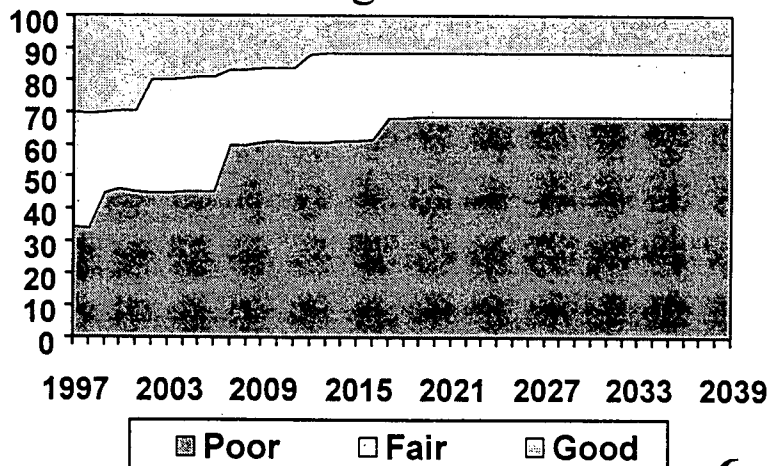
Michigan



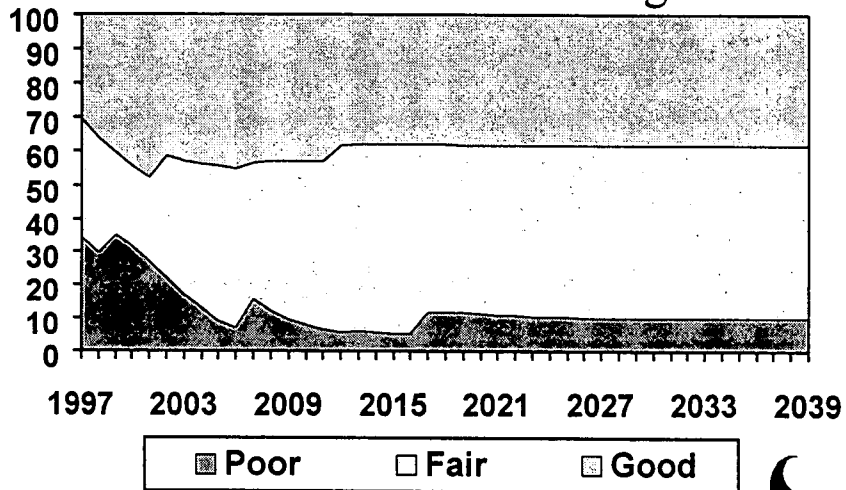
Michigan Reconstruction Strategy



Michigan Combined Reconstruct and Rehab Strategies



Michigan Combined Reconstruct, Rehab, and Preventive Maintenance Strategies



Michigan

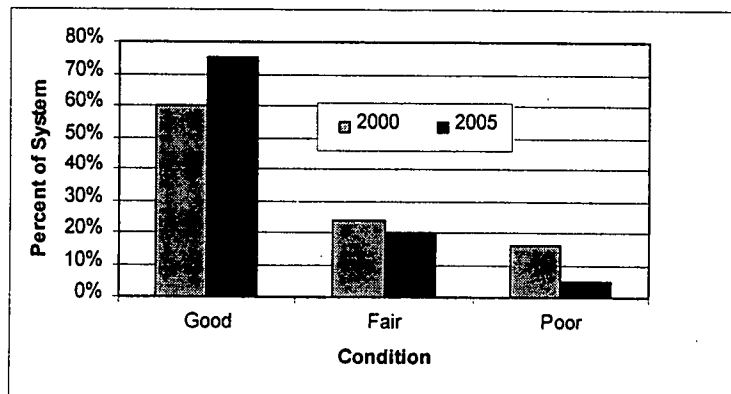
- Reported Cost Savings

- Initial preventative maintenance costs 14 times less than rehabilitation or reconstruction
- \$700 million savings from 1992 to 1996
- Overall life cycle cost analysis appears to be 6:1.

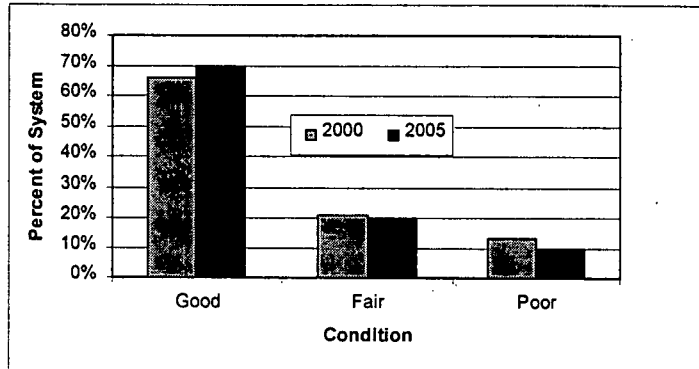
North Carolina Expectations



Primary System



Secondary System



Anticipated Impacts The Next 3 Years

- Backlog of pavement needs on Primary System addressed
- Maintenance and contract resurfacing funds can be targeted for preservation
- Reduction in reactive maintenance repairs
- Smooth, safer roads
- Improved night-time visibility



Funding

Fiscal Year	Contract Resurfacing	Seal Program	Senate Bill 1005	Total Funds Available
00-01	\$135 M	\$12 M	-	\$147 M
01-02	\$154 M	\$40 M	\$153 M	\$347 M
02-03	\$154 M	\$40 M	\$135 M	\$329 M
03-04	\$154 M*	\$40 M*	\$135 M	\$329 M
04-05	\$154 M*	\$ 40 M*	-	\$194 M

* Assumes no change in funding from the FY 01-03 Biennium



Future Funding Needs To Sustain Conditions

Beyond FY 04-05

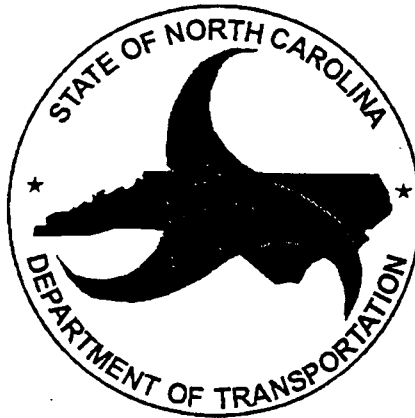
\$222.0 Million for Contract Resurfacing

\$ 77.5 Million for Maintenance Treatments

\$299.5 Million Total Pavement Needs



PROJECTED IMPACTS ON HIGHWAY MAINTENANCE
RELATED INITIATIVES ENACTED
BY THE 2001 SESSION OF
THE NORTH CAROLINA GENERAL ASSEMBLY



Lyndo Typpett
Secretary

Gene Conti
Chief Deputy Secretary

May 2002

**PROJECTED IMPACTS OF HIGHWAY MAINTENANCE
RELATED INITIATIVES ENACTED
BY THE 2001 SESSION OF
THE NORTH CAROLINA GENERAL ASSEMBLY**

BACKGROUND

Responding to a growing concern over the condition of the State Highway System, the 2001 General Assembly approved several provisions in the 2001-2003 biennium budget (Senate Bill 1005) aimed at providing increased funding for maintenance operations. Transportation budget line items for highway maintenance and contract resurfacing were increased for each of the next two years providing a much needed boost in recurring funding.

The most significant action taken by the legislature was a provision to reduce cash balances which have accrued in the Highway Trust Fund and expend these funds for primary route pavement preservation, signal system improvements, and advanced planning for Transportation Improvement Program (TIP) projects. This action has gained national recognition as an innovative funding mechanism to protect the states' infrastructure investment. A recent article in the FHWA publication "FOCUS" (Attachment A) noted the fact that the North Carolina Legislature was proactive by recognizing the value of preserving its pavement assets through this funding initiative. It has also been touted by the trade publication "Better Roads" (Attachment B) as a model that the United States Government should consider implementing as well for the Federal Highway Trust Fund.

Approximately \$423 million will be provided over a three-year period to repair and resurface US and NC routes which serve as the backbone of the states transportation network. This infusion of funding will allow NCDOT to "jumpstart" a pavement preservation program by addressing the backlog of existing needs on the primary system and leveraging contract resurfacing and maintenance funds to preserve other routes still in good condition. Other states including Michigan, California and Georgia have already implemented pavement preservation programs and are realizing significantly lower life cycle and user costs.

The remainder of this report will focus on strategies being employed by NCDOT to integrate this additional funding into its maintenance program to provide the greatest impact on the overall condition of the highway system.

BASELINE INFORMATION ON THE CONDITION OF THE HIGHWAY SYSTEM

Funding and Pavement Condition

The Department of Transportation reports every two years to the General Assembly, as required by GS 136-44.3, on the condition of the state highway system, and maintenance funding needs including any backlog. This report reflects the results of a Maintenance Condition Assessment conducted by the Department to determine deficiencies in pavements, drainage, safety and traffic related items on the highway system. Funding needs to address these deficiencies and maintain the system at an acceptable level of service are calculated using this assessment data along with more comprehensive information from the Department's Pavement and Bridge Management Systems. The chart below shows a comparison of funding needs identified in the December 2000 report for FY 2001-2002 to actual appropriations. Though still short of the identified needs, funding for routine maintenance and contract resurfacing was increased by the legislature in the 2001 session and totaled more than \$578 million.

Funding Levels for Minimum Levels of Service		
Category	Funding Needs	FY 02 Appropriation
Annual Routine Maintenance	\$ 522.0 Million	\$424.0 Million
Annual Resurfacing	\$ 229.0 Million	\$154.0 Million
Disasters & Emergencies	\$ 35.0 Million	
TOTAL NEEDS	\$ 786.0 Million	\$578.0 Million

Combined with the supplemental funding provided by the Trust Fund budget provision over the next three years, the department will be in a position to focus on correcting deficiencies and improving the overall condition of its most important asset – pavements.

The Department conducts a 100% visual survey of the paved highway system (non-interstate) every two years. The table below shows the lane mileage and relative condition of the primary and secondary highway systems determined by the 2000 survey. (A lane-mile (LM) is a one-lane width, one mile in length; thus a two-lane road has 2 lane-miles per centerline mile. Many Primary routes have four or more lane-miles per centerline mile.)

System	Good PCR \geq 80	Fair 79 \leq PCR \geq 60	Poor PCR < 60
Primary	60%	24%	16%
	19,390 LM	7,750 LM	5,170 LM
Secondary	66%	21%	13%
	75,120 LM	23,300 LM	14,580 LM

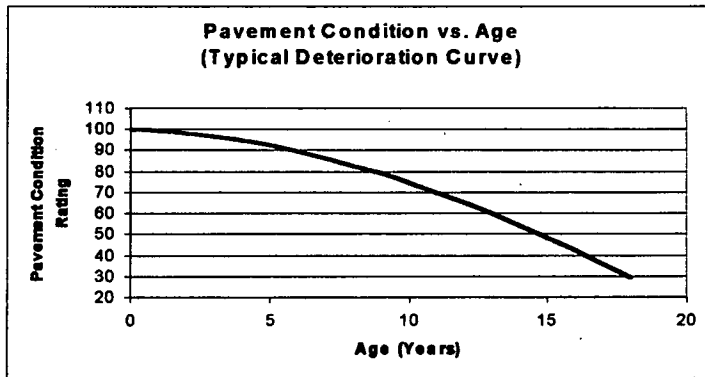
At that time, approximately 40 % of primary and 34% secondary routes were rated in fair to poor condition. A review of data from the last three rating cycles (1996-2000) indicates that the system wide average pavement condition declined during the period and pavement deficiencies and the costs to correct them increased.

Results from the 2002 survey are just starting to come in from the field and, and an initial review indicates a likely continuation of this trend. The number of Vehicle Miles Traveled (VMT) on North Carolina highways has increased by 40% over the past decade. Nationally, this trend is expected to continue as overall travel is expected to increase by approximately 45% over the next 20 years. Of even more concern is the projected growth in travel by heavy trucks, which is expected to increase by 90% over the same period, according to the Federal Highway Administration. The primary system carries 60% of the states traffic and has shown the most significant decline in condition in recent years due to the fact that many of these routes do not have the necessary pavement thickness to handle the loads and traffic they are carrying. For this reason, the bulk of additional maintenance funding provided by the legislature is being channeled to Primary routes in an effort to restore deteriorated pavements to good condition and initiate an effort to preserve the remaining sections before they decline. The secondary system will benefit as well as a portion of the routine maintenance appropriation is being earmarked for preventive maintenance treatments, which will help preserve these roads while they are still in good condition. The data obtained in the 2002 pavement condition survey along with the Maintenance Condition Assessment, which will be conducted this summer, will serve as excellent baselines for measuring the impact of these legislative maintenance-funding initiatives.

Pavement Preservation vs. Worst First Strategies

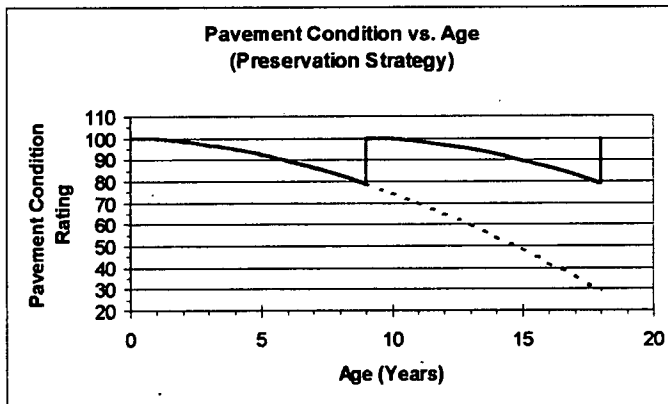
As pavements are exposed to weather and traffic, they age or deteriorate at a predictable rate. The chart below illustrates the historical deterioration being experienced on North Carolina asphalt roadways. Asphalt roadways make up more than 99% of the entire paved roadway system in North Carolina. The

data use to generate this chart is based on pavement condition surveys that have been conducted biennially in North Carolina since 1982.



In the past, the Department's primary means of addressing these roadways has been through the use of thin (1-1.5") asphalt overlays funded through the contract-resurfacing program. Due to the advanced state of deterioration of these roadways, thin overlays generally do not correct the deficiencies, resulting in an accelerated resurfacing cycle of 7-10 years. The net result of this traditional "Worst First" approach has been a general decline in system wide pavement conditions as resurfacing and other preventive maintenance treatments on other roads is continually deferred.

In contrast to the "Worst First" approach, a "Preservation" strategy attempts to treat the roadway in question at the optimum time to provide the most long-term economical treatment. The goal, as expressed in the chart below, is to provide a low cost treatment that will keep the pavement in good condition. Generally, for every dollar spent using pavement preservation techniques such as seals and thin overlays, one could expect to expend four to six dollars to bring the road back to good condition if treatment is deferred until the pavement is in poor condition.



While the economic benefits are very tangible, the public also enjoys the intangible benefit of a preservation strategy. Good roads are kept in good condition. National surveys consistently show that the public wants safe, smooth roads and that as pavements deteriorate, vehicle operation costs increase. In fact, a recent report by The Road Information Program (TRIP) indicates that "The average urban motorist is paying an additional \$358 annually in additional vehicle operating costs as a result of driving on roads in need of repair." The same can be said of our Primary routes in poor condition, which represent 16% of the Primary system mileage. The use of the pavement preservation funds being provided by Senate Bill 1005 will allow the Department to address the concerns of the traveling public and at the same time protect our investment in the pavement infrastructure.

PROJECTED IMPACTS BY SYSTEM

This section will discuss specific impacts on the state highway system that are anticipated over the next 3-4 years as a result of increased funding for maintenance, and will focus on Primary (non-interstate) and Secondary paved routes. Primary routes, US or NC designated highways exclusive of interstates, total more than 13,500 miles (32,300 lane miles). Secondary paved roads, identified as "SR" (SR 1001, SR 1955 etc.), total more than 56,500 miles (113,000 lane miles). The Urban System, comprised of both Primary and Secondary routes within corporate limits, is not specifically broken out, however the mileage is included in the Primary and Secondary Totals.

Primary System:

Over the next three years, funding from the Highway Trust Fund cash balances authorized by SB 1005 will be directed toward restoring the serviceability of higher volume primary highways rated in poor and fair condition. Primary route projects identified and programmed through Senate Bill 1005 are being subjected to extensive field testing to provide information on the condition and structural deficiencies of the pavement. The projects that were let to contract on the first year are shown on Attachment C. Appropriate repair methods and asphalt overlay thicknesses are determined from this data, which will result in improved long-term pavement performance. It is anticipated that by 2005 this effort, in conjunction with the contract-resurfacing program, should eliminate the backlog of needs generated by pavements in poor condition (Primary roads rated less than 60). This will allow increased emphasis to be directed toward preservation activities on the remaining routes. It is estimated that approximately 10,000 lane miles (approximately 1/3 the Primary lane mileage) of pavement will be repaired and resurfaced during this period resulting in a significant improvement in overall condition. Although this funding will greatly improve primary pavements, sufficient recurring funding for contract resurfacing will be required after that time to sustain this condition.

Numerous secondary benefits will also be realized through this effort as well. For example, in FY 2000-2001, the Department spent nearly \$13 million of its maintenance budget patching Primary highway pavements. The need to perform these repairs, which are often unplanned and reactive, should diminish over time as pavement conditions improve. The resultant savings can then be redirected into preventive maintenance activities such as crack sealing or shoulder and drainage improvements. Next to traffic impacts, water is the biggest factor effecting pavement life. Proper crack sealing and effective drainage are critical to lessening the adverse effects of water on and under pavements. Many of the routes targeted for improvement will also be widened to provide 12-foot lanes and paved shoulders where warranted. Wider lanes will make these roadways safer and reduce shoulder drop offs resulting in lower long-term maintenance costs. Long life (thermoplastic) pavement markings will also be utilized as these route are resurfaced, providing enhanced visibility, and eliminating frequent repainting of lines.

Secondary System:

The amount of funding targeted for maintenance and resurfacing of the secondary system over the next three years is somewhat less dramatic than that planned for the primary system. However, an overall improvement in system condition is nonetheless anticipated through the implementation of a pavement preservation program. As noted earlier in the pavement condition table, 75,120 lane miles of the secondary system (low volume roads) are still rated in good condition. This means that an excellent window of opportunity is available to place low-cost preventive maintenance treatments such as chip seals or slurry seals on these roadways, thereby retarding deterioration. This expanded seal program is being funded through the increased highway maintenance appropriation and will annually total more than 6600 lane-miles (200% increase).

The seal program combined with Secondary system contract resurfacing will total approximately \$120 Million for FY 2001-2002 and will provide a comprehensive approach to addressing pavement needs on the Secondary system. Surface seals have an effective life cycle of around 7 years compared to asphalt overlays, which average about 15 years on a secondary road. As noted previously, a preservation treatment applied to a 7-year-old pavement in relatively good condition can cost $\frac{1}{4}$ that of an overlay required to treat a secondary road that has had no preventative maintenance for 15 years. While overall pavement conditions will improve, we will still fall short of being able to address the backlog of pavement needs without increasing the level of sustained funding for highway maintenance and contract resurfacing.

There should be a reduction in secondary road patching costs similar to what is expected on the primary system due to the proactive measures being taken. Part of the \$46.5 million currently expended for

patching can be leveraged to address high and low shoulders, deficient pavement markings, and drainage issues. Proper maintenance of shoulders and drainage is critical to extending the life of pavements.

SUMMARY

The action taken by the General Assembly during the 2001 session authorizing the use of cash balances in the Highway Trust Fund for pavement preservation will have a significant impact on the states transportation network over the next three years. This funding initiative combined with increases in the highway maintenance and contract resurfacing appropriations will allow NCDOT to implement a pavement preservation program which will addresses the backlog of existing pavement needs and utilize preventive maintenance tools to preserve other routes still in good condition.

Transportation Improvement Program (TIP) projects have also increased the lane mileage; thereby bringing on-line new pavement surfaces. In order to preserve this added lane mileage, pavement preservation strategies will also be utilized to the maximum extent possible. By 2005, the condition of the primary system will be significantly improved as noted in the chart below. If sufficient recurring funding is provided after Fiscal Year 2004, these conditions can be sustained indefinitely.

System		Good PCR \geq 80	Fair 79 \leq PCR \geq 60	Poor PCR < 60
Primary	2000	60%	24%	16%
		19,390 LM	7,750 LM	5,170 LM
	Projected 2005	75%	20%	5%
		24,200 LM	6,500 LM	1,600 LM
Secondary	2000	66%	21%	13%
		75,120 LM	23,300 LM	14,580 LM
	Projected 2005	70%	20%	10%
		79,100 LM	22,600 LM	11,300 LM

The secondary system will continue to have a backlog of pavement and maintenance needs, though improvements will be made as a result of increases in highway maintenance and contract resurfacing funding. More than 9000 miles of unpaved secondary roads have been paved since the passage of the Highway Trust Fund in 1989. As these roads begin to age, they will require an increased expenditure for maintenance. The use of pavement preservation strategies will help protect this investment; however, this growth in paved Secondary system mileage will ultimately require an increase in funding for pavement maintenance.

The chart below depicting the funding breakdown for pavement resurfacing and retreatment programs over a five year period beginning FY 2000-2001 clearly shows the impact of increased maintenance funding and the trust fund cash balance provision.

Fiscal Year	Contract Resurfacing	Maint. Funded Seal Program	Senate Bill 1005	Total Funds Available
00-01	\$135 M	\$12 M	-	\$147 M
01-02	\$154 M	\$40 M	\$153 M	\$347 M
02-03	\$154 M	\$40 M	\$135 M	\$329 M
03-04	\$154 M*	\$40 M*	\$135 M	\$329 M
04-05	\$154 M*	\$ 40 M*	-	\$194 M

* Assumes no change in funding from the FY 01-03 Biennium

In order to sustain the gains made possible by maintenance, resurfacing and SB 1005 funding increases, a continued allocation beyond FY 2004 will be required in the amount of \$299.5 million. Of that amount, \$222.0 million will be needed for resurfacing and \$77.5 million will be required for maintenance treatment programs utilizing chip seals and other similar applications.

The pavement maintenance and preservation gains made and projected in this report are a direct result of the innovative financing steps taken by the North Carolina General Assembly. These gains, which will become more evident over the next three years, will move North Carolina's highway system toward the goals expressed by highway users – smooth, safe, and well maintained roads. Truly, North Carolina will live up to the slogan – “The good roads State.”

North Carolina Takes a New Approach to Financing Road Maintenance

aced with a problem confronting many States—where to find money to maintain highways—North Carolina turned to a process known as cash flow financing, or cash management, to obtain the needed funds. As part of the process, North Carolina's General Assembly passed a special provision in September 2001 authorizing the State Department of Transportation (DOT) to use \$470 million in State Highway Trust Fund cash balances to restore primary routes that range from fair or poor condition to good condition.

Although North Carolina is only 11th in the Nation in population, it has the second largest State-maintained road system at 126,000 km (78,000 mi). More than 23,000 km (14,000 mi) of the system are primary highways carrying 60 percent of vehicle miles traveled in the State. Forty-one percent of the State's road system is currently rated at "fair" or "poor." Because it was crucial to improve safety and mobility for North Carolina's drivers, the State budget bill (SB1005) directed a portion of the Highway Trust Fund's cash balance to be spent on pavement preservation efforts, which include the strengthening, shoulder widening, and resurfacing of the State's primary (non-Interstate) highway system. In all, \$150 to \$170 million has been allocated each year for 3 years to North Carolina's 14 highway divisions for needed road work.

Essentially, cash flow financing allows State DOTs to tap into funds to which they previously did not have access; in North Carolina's case, it took a legislative act to free up money for pavement preservation. At the end of the 1999-2000 fiscal year, the Highway Trust Fund had reserves of \$858 million and the Highway Fund had a cash

balance of \$270 million. The State's Joint Legislative Oversight Committee, seeking to divert some of that money into projects that could immediately help fulfill the State's highway maintenance needs, contracted with Dye Management Group, Inc., of Bellevue, Washington, to study the matter. Dye recommended that North Carolina use the cash balance for road repair projects if the General Assembly passed legislation making the funds available. According to Dye's David Rose, "This idea is not unique in that several other States have done it in recent years. However, the approach isn't foolproof—States must implement sound financial management and planning or else run the risk of depleting highway funds."

The North Carolina legislation directs the DOT to use "cash flow financing to the maximum extent possible to fund highway construction projects" and addresses the inherent risks by mandating a number of controls, including the establishment of a financial planning committee, monthly financial reports, fund cash level targets, revenue forecasting procedures, reorganization of preconstruction functions to expedite project delivery and maximize use of cash flow financing of projects, and the designation of a person to be responsible for project delivery. The law also empowers the State Treasurer to combine the balances of the Highway Trust Fund and the Highway Fund and to make short-term loans between the Funds to facilitate cash flow financing.

In addition to the \$470 million to be used for primary route pavement preservation, the legislation specifies two other smaller provisions: \$15 million per year for 3 years is to be used for the planning and design of projects so that money can be

saved over the long run in maintenance costs. And another \$15 million per year for 3 years is designated for installing electronic signal and traffic management systems that will improve the operational efficiency of the State's road system by reducing delays and facilitating traffic flow. The new provisions also stipulate that the DOT must ensure that improvements made using cash balance funds will not interfere with the delivery of Highway Trust Fund projects on the 2002-2008 Transportation Improvement Program schedule.

In an announcement of the special provision, North Carolina Transportation Secretary Lyndo Tippet called the law a "landmark" move that is "undoubtedly the most significant transportation legislation since the Highway Trust fund in 1989." In illustrating the importance of the provision, Tippet added, "Under [the previous] funding system, it might be 10 to 20 years before some of these roads would ever be resurfaced. In fact, some of these projects would not have been completed for many generations."

Quick to allocate the new funds, the DOT reports that \$115 million was let to contractors by the end of December 2001. These funds are allowing needed repairs to be made immediately to the State's primary roads, thus increasing safety and mobility for customers. Dye Management Group, Inc., is currently assisting the DOT in implementing new cash management procedures, developing forecasting tools, and making the transition to a cash-flow based program.

For more information, contact Len Sanderson, State Highway Administrator for North Carolina DOT, 919-733-7384 (email: lsanderson@dot.state.nc.us).

OUR VIEW

by Ruth W. Sidger, Editor-in-Chief

Congress: Learn from North Carolina

Congress would do well to learn a lesson from the North Carolina General Assembly. Last fall, the state's legislature authorized use of \$470 million in the State Highway Trust Fund reserves to restore primary routes' pavement.

The fund held reserves of \$858 million at the time, and the state's Highway Fund had a cash balance of \$270 million.

The bill, now passed into law, directs that a portion of the monies be spent on pavement preservation, including strengthening, shoulder widening, and resurfacing of the primary highway system in North Carolina.

The improvements won't interfere with delivery of Highway Trust Fund projects in the 2002-2008 North Carolina Transportation Improvement Schedule.

If legislative members of both parties can get it together in North Carolina, why can't Democratic and Republican U.S. Representatives and Senators get the message that money in the Federal Highway Trust Fund needs to be added to road building and maintenance coffers to preserve the investment we have in our road system?

Is there something in the water in Washington, D.C. that causes our elected representatives to decide that monies set aside specifically for transportation belongs to them to seemingly offset general fund deficits or otherwise try to confuse taxpayers?

Perhaps a Congressional trip to North Carolina to view the exotic behavior of responsible legislative road system management should be added to U.S. Representatives' and Senators' agendas.

Our Interstate system of 42,000 miles and the many thousands of additional local and state roads need to be supported and maintained if we are to protect the billions of dollars that we've already spent on them.

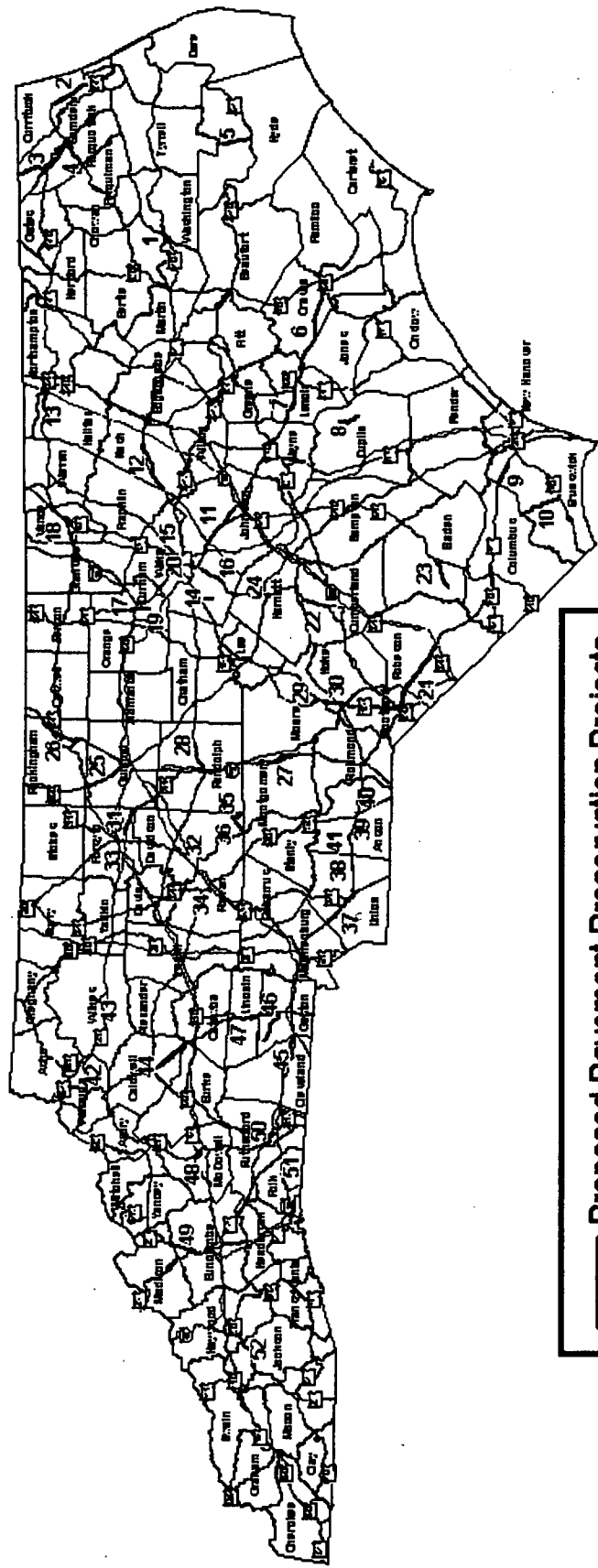
New materials, quality control, and quality assurance programs can help keep costs down if the repairs are made before the roadway reaches a condition that requires replacement.

Sure, the Bush budget guts highway spending next year. That doesn't mean our elected representatives have to follow his suggestions. We need action from Congress now. You can still help remind the Representatives and Senators in your own state.

Just go to our Web site, www.BetterRoads.com and join the more than 1,500 people who have already signed the online petition to restore full highway funding.



Proposed Pavement Preservation Projects 2001-2002



Proposed Pavement Preservation Projects

- Interstates
- US Routes
- ∩ County Boundaries



Projects shown on map are proposed and are subject to funds availability and final cost

Map prepared by:
 North Carolina Department of Transportation
 GIS Unit
 October 3, 2001

**PRIMARY ROUTE PAVEMENT PRESERVATION
FISCAL YEAR 2001-2002**

MAP #	DIV.	COUNTY	ROUTE	DESCRIPTION
1	1	Washington	US 64	From SR 1189 to end of curb and gutter
2	1	Currituck	US 158	From NC 168 at Barco to Dare County line
3	1	Camden & Pasquotank	US 17	From Va. State line to north end of Elizabeth City Bypass
4	1	Pasquotank & Perquimans	US 17	From south end of Elizabeth City Bypass to SR 1367 in Perquimans
• 5	1	Hyde	NC 94	From US 264 to Intracoastal Waterway
6	2	Lenoir, Jones & Craven	US 70	From SW Creek Bridge to Trent River Bridge
7	2	Lenoir	US 70	From Wayne County line to US 258
8	3	Duplin	NC 111	From SR 1700 to NC 111/111
9	3	Brunswick	US 74/76	From Columbus County line to 0.2 miles east of SR 1713
10	3	Brunswick	NC 211	From Columbus County line to US 17
11	4,5	Johnston & Wake	US 70	From US 70 Bus. East of Clayton to White Oak Road in Wake County
12	4	Nash	US 64	From Franklin Co. line to Stoney Creek Bridge east of NC 58
• 13	4	Halifax	US 158	From NC 48 to SR 1641
14	5	Wake	NC 55	Holly Springs Road to SR 1448
15	5	Wake	US 64	Neuse River Bridge to US 64 Bus.
16	5	Wake	US 401	From Dwight Rowland Rd. to Old Stage Road
17	5	Durham	US 501 BUS	From Avondale Dr. to Olympic Ave.
18	5	Vance	NC 39	From Henderson NCL to 0.4 miles south of SCL
19	5	Durham	NC 55	From Avondale Dr. to 0.25 miles south of SR 1171
20	5	Wake	US 70	From I-40/440 to Tryon Road
21	6	Robeson	US 74	From Maxton Bypass to I-95
22	6	Cumberland	US 401	From US 401 Bypass to NC 217
• 23	6	Bladen	NC 242	From NC 131/410 to NC 87
24	6	Harnett	US401/421	Intersection of US 401/421 with NC 210
25	7	Guilford	US 220	From I-85 to Randolph Co. line
26	7	Rockingham	US 29	From US 29B to SR 1767
27	8	Montgomery	US 220	From NC 24/27 to US 220A
28	8	Randolph	US 64	From SR 2237 NC 22 in Ramseur
29	8	Moore	US 15/501	From US 1 to Traffic Circle in Pinehurst
30	8	Moore & Scotland	US 15/501	From US 1 to US 15/501B in Laurinburg
31	9	Forsyth	US 311	From I-40 to Guilford Co. line
32	9	Davidson	I 85B/US 29	From I 85/85B junction to 2.61 miles north
33	9	Forsyth	US 421	From Peters Creek Pkwy. To Main St.
34	9	Rowan	US 70	From NC 150 to Julian Road
35	9	Davidson	NC 109	From NC 49 to Randolph Co. Line
36	9	Davidson	NC 49	From SR 2543 to SR 2545
37	10	Union	US 74	From Mecklenburg Co. Line to 0.2 miles east of SR 1964
38	10	Union	US 74	From Marshville WCL to ECL
39	10	Anson	US 74	From US 52 South to SR 1714
40	10	Anson	US 74	From WCL of Lilesville to SR 1730
41	10	Anson	US 74	From WCL of Polkton to Brown Creek Bridge
42	11	Watauga	US 221/321	From US 221 Bus to Boone SCL
43	11	Wilkes	NC 18/268	From NC 115 to NC 268
44	11	Caldwell	US 64/NC18	From NC 18 Bus. to SR 1325
45	12	Cleveland	US 74	From concrete pavement to Gaston Co. Line
46	12	Gaston	NC 279	From NC 275 to NC 150
47	12	Lincoln	US 321	From Gaston Co. Line to Catawba Co. Line
48	13	McDowell	US 221	From NC 226 to US 221B
49	13	Buncombe	US 19/23	From Madison Co. Line to 10.87 miles south
50	13	Rutherford	US 74 BYP	From US 74 to SR 2201
51	14	Polk	US 74	From 0.16 miles west of NC 9 to Rutherford Co. Line
52	14	Jackson	US 74	From SR 1705 to 0.17 miles west of Haywood Co. Line

The NCDOT study of the transfer of the Global
TransPark airport fixed assets and operations from the Global
TransPark Authority to another appropriate entity.

Joint Legislative Transportation Oversight Committee
Briefing Paper

Prepared
By
North Carolina Department of Transportation
Division of Aviation

AVIATION DIVISION STUDY THE TRANSFER OF THE GLOBAL TRANSPARK AIRPORT

SECTION 27.19. The Department of Transportation's Aviation Division shall study the transfer of the Global TransPark airport fixed assets and operations from the Global TransPark Authority to another appropriate entity. The Aviation Division shall report the results of this study to the Joint Legislative Transportation Oversight Committee and to the Chairs of the Senate and House of Representatives Appropriations Committees by February 15, 2002.

Requested by: Senators Gulley, Lee, Odom, Plyler;
Representatives Cole, J. Crawford, Bowie, Easterling, Oldham,
Redwine, Thompson

Study basis and purpose

- SB No. 1005 (Section 27.19)
- Determine appropriate entity to which the North Carolina Global TransPark (GTP) aviation assets/operations should be assigned.
- Report findings and recommendations back to the transportation oversight committee.

Study results

- Reviewed several of the available options, e.g. status quo, sale of assets, transfer to local entity.
- GTP represents a major public investment by the state and federal governments.
- GTP has economic development potential for eastern N.C. and state as a whole.
- To date the GTP has had limited economic development impact. However, some good things have been accomplished at the airport:
 - Broad-based EIS and environmental permitting done;
 - Education/training center opened and flourishing;
 - Runway extended to 11,500 feet – will be operational December 2002;
 - CAT III Instrument Landing System (FAA Funded) will be installed this summer;
 - Air cargo facility/administration building will be fully leased when complete.

- The GTP's land and infrastructure has a great deal of potential for aviation development/and related economic activity.

Study Recommendations

- Reassign GTP airport operations and all other direct aviation assets to Division of Aviation for a period of time not-to exceed 2 years.
- Division of Aviation will report directly to the Chairman and Vice-Chairman of the North Carolina Global TransPark Authority with respect to GTP airport operation and aviation development activities.

What will be Different?

- NCDOT, Division of Aviation will assume managerial and operational responsibility for GTP aviation and airport assets.
- Provides an opportunity to take full advantage of the Division of Aviation's aviation/airport management and development resources, which include extensive knowledge and experience in the various aspects of airport management, operations and development. In addition, the Division of Aviation is authorized, pursuant to the North Carolina General Statutes 63, to operate, manage, and develop state owned airports.
- Provides greater opportunity to maximize the GTP's economic potential.
- Division of Aviation is in a position to move quickly to implement initiatives at the GTP.

Proposed Aviation Activities that will be pursued at the GTP

- Develop and implement a comprehensive business plan to include a short-term analysis of required immediate changes to the aviation operation, if necessary.
- Establish an Aeronautical Academy at the GTP.

- Establish a FAA Air Traffic Controller training program.
- Re-establish scheduled commercial air service.
- Attract at least one major aviation-related tenant.
- Coordinate and conduct a major FAA Super Safety Seminar/Aviation Tradeshow for pilots and mechanics during 2003.
- Periodically report progress to the Vice-Chairman of the GTP Authority.
- As requested make reports to the Joint Legislative Transportation Oversight Committee.

Duration of NCDOT Division of Aviation's Involvement at the GTP

- At the end of the two-period, or as further directed by the General Assembly, transfer responsibility for the airport and its aviation assets back to the GTP Authority or another appropriate airport operating entity.

**Budget History for Global Transpark
2000-01 through 2002-03**

	Actual 2000-01	Budget 2001-02	Budget 2002-03	Change 2002-2003
Operating Funds				
Highway Fund	\$ 1,185,654	\$ 605,549	\$ 618,660	\$ 13,111
General Fund	<u>2,050,000</u>	<u>2,204,451</u>	<u>576,982</u>	<u>(1,627,469)</u>
Total Operating	\$ 3,235,654	\$ 2,810,000	\$ 1,195,642	\$ (1,614,358)
Annual % Change		-13%		-57%
Cumulative % Change				-63%
Capital Funds (General Fund)	1,775,000	575,549	566,359	(9,190)

Agency	1995 Span	1997 Span	2002 Span	Change from 95:02	1997 Levels	2002 Levels	1995 Employees	2002 Employees
Correction	4.78	5.23	5.79	21%	15	11	16,785	19,445
DHHS (See Note)	6.70	6.94	11.68	74%	14	13	18,988	19,002
Transportation	5.76	5.80	6.62	15%	11	11	14,844	14,485
Environment & Natural Resources	4.01	5.23	5.71	42%	11	10	3,059	3,696
Crime Control	9.30	5.10	5.94	-36%	9	10	2,386	2,580
Juvenile Justice			7.82			8	N/A	2,121
Employment Security Commission	5.55	5.42	6.09	10%	10	9	2,150	2,084
Agriculture	5.42	5.18	5.01	-8%	9	8	1,453	1,430
Revenue	5.48	5.26	4.70	-14%	8	9	1,425	1,314

Note: For the 1995 & 1997 figures, DHHS does not include the Health Division staff which were housed within DENR.

1997 Organizational Levels	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9	Level 10	Level 11	
Secretary's Office	6	24	27	19	29	43	11					159
Assistant Secretary for Management			7	43	111	161	59	4				385
Assistant Secretary for Planning			1	10	29	14	1					55
Assistant Secretary for Safety			1	1	8	6						16
Division of Highways		1	9	44	203	545	1,599	3,917	4,096	1,289	50	11,753
Division of Motor Vehicles	1	7	26	56	162	712	633	140	27			1,764
Transit Administration			4	17	16	1						38
	7	32	75	190	558	1,482	2,303	4,061	4,123	1,289	50	14,170

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

May 7, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Wayne Stallings	NCDOT
Tom FRANSKAW	NC Global Transport Authority
Annz Bander	OSBM
Angway Houston	OSBM
Sharon Matthews	DOT-DMV
Judith Corley-Lay	NCDOT
Lenwood V. Long, Sr	NC Global Transport Authority
Susan Coward	NCDOT
STEVE VARNEDOE	NCDOT
Mich D. Oepf	OSBM
Suzanne Williams	NCCCS

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation

May 7, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ruth Sappie	NC DOT
David King	NC DOT
Dan Devan	NC DOT
Giles Perry	NCGA STAFF
Guy McL	CCPS
J. Langford	NCPTA
Mark Brown	Capital Group
Maurice Bridges	Bridges Consulting Group

AGENDA

**Senate Appropriations Subcommittee
on
Transportation**

**June 11, 2002
Room 1027
11:30 A.M.**

Chair: Senator Wib Gulley

Consideration of Subcommittee Budget Recommendations

Senate Appropriations Subcommittee on Transportation
Tuesday, June 11, 2002
11:30 PM
Room 1027, Legislative Building

MINUTES

The Senate Appropriations Subcommittee on Transportation met at 11:30 pm on Tuesday, June 11, 2002 in Room 1027 of the Legislative Building. Five Senators were present.

Senator Gulley called the meeting to order and welcomed the Senate members of the Committee. Senator Gulley then reviewed the one-page summary of the Highway Fund Budget. **See Handout #1.** It showed that \$41.5 million were available for expansion, mostly non-recurring items. Senator Rucho asked if the Committee was going to discuss the removal of Highway Trust Fund money from the budget and Senator Gulley responded that that issue was not the business of the Subcommittee but rather the full appropriation chairs' decision.

Next, Senator Gulley went through the line-by-line budget report. **See Handout #2.** After a brief discussion about the Global TransPark money and the Airport Grants, Senator Gulley went through the Highway Fund budget on page K2 of Handout #2. Senator Rucho asked what was the impact of the reduction of funds in item 7 on page K2. The total maintenance budget is \$700 million and \$154 million of that amount is contract resurfacing. David Allsbrook with the Department of Transportation (DOT) stated that \$800 million was needed last year and there was a \$220 million shortfall.

Senator Gulley pointed out that item 13 on page K3, Global TransPark Authority funds, was being reduced to \$500,000 in the Senate budget proposal. This was to send a message to the Authority to wind down the State's involvement in this project. DOT Deputy Secretary Gene Conti is now on the Board of the Global TransPark and has prepared a business plan for the Global TransPark. He has asked that the General Assembly hang with the Global TransPark for one more year and the full appropriation chairs have agreed.

There has been \$45 million allocated from the General Fund/Highway Fund to the Global TransPark to date. The State was still obligated to the Global TransPark because of the \$12.5 million Escheat Fund loan, the \$3 million matching funds for the runway, and the 660,000 Agriculture Department loan. Senator Gulley further stated that the Attorney General's office has been asked to see if the State has any additional obligations to the federal government.

Senator Berger asked about the leases that some of the state agencies have with the Global TransPark and asked for the figures. Senator Gulley added that the Attorney General's office was also looking into these leases.

Senator Rucho and Senator Berger both voiced concern about the \$7.2 million reduction in the TSERS retirement fund (item 14 on page K3). Senator Gulley replied that the State Treasurer assured the Committee that it was safe to make the reduction.

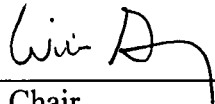
Senator Berger asked how the \$1.2 million for urban buses (item 11 on page K3) was divided. Senator Gulley replied that a formula was used to evenly divide the money between the State's 100 counties.

Finally, Senator Gulley reviewed the budget special provisions. **See Handouts # 3 and #4.** There was a discussion regarding the transfers from the Trust Fund to the General Funds. Senator Berger questioned the constitutionality of transferring funds collected for one purpose to another fund to use for another purpose. Senator Gulley responded that the staff attorneys have stated that it was permissible and possible to make the transfers.

Senator Rucho asked that a message be sent to the full appropriation chairs that the Committee would like the Legislature to eliminate the transfer of the Highway Trust Fund money to the General Fund. Senator Gulley stated that he would convey the Committee's concern about the transfers.

Senator Gulley moved to send forth the budget report and budget special provisions to the full appropriation chairs. Motion carried because Senator Berger and Senator Rucho abstained.

The meeting was adjourned at 12:50 PM.



Senator Gulley, Chair



Carol Resar, Committee Clerk

Handout # 1

Senate Highway Fund Budget

	<u>2002-03</u>	
1 Availability		
2 Revenue Estimate (3-7-02)	1,276,600,000	
3 Credit Balance	<u>41,300,000</u>	NR
4 Total	1,317,900,000	
5		
6 Certified Budget	<u>1,287,902,372</u>	
7 Funds Available	29,997,628	
8		
9		
10 Statutory Budget Adjustments and Other Reductions		
11 Powell Bill	(1,887,000)	
12 Secondary Roads	(1,887,000)	
13 Retirement Rate Adjustment	(7,257,000)	
14 Management Information Services Fees	(362,232)	NR
15 Global Transpark Reduction	<u>(118,660)</u>	
16 Subtotal	(11,511,892)	
17		
18 Total Funds Available for Expansion	41,509,520	
19		
20		
21 Expansion		
22 Maintenance - Restore NR Funds	7,022,971	NR
23 Maintenance - Expansion	5,950,220	NR
24 Contract Resurfacing - Expansion	5,950,220	NR
25 R-O-W for Charlotte Train Station	8,100,000	NR
26 Small Urban and Rural Discretionary Projects - Restore NR Funds	5,000,000	NR
27 Public Transportation - Special Reserve Fund	2,000,000	NR
28 Public Transportation - Urban and Rural	2,250,000	NR
29 High Speed Rail - Restore NR Funds	5,000,000	NR
30 Driver Education ADM Requirements	<u>236,109</u>	
31 Subtotal	41,509,520	
32		
33 Balance	-	

11-Jun-02

Senate Subcommittee on Transportation

Transportation

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$13,393,341

Budget Changes

(1200) Airport Grants

1 Aviation Grant Reduction

Implements reduction recommended by Governor. This reduces the budget for aviation grants by 11% from \$12,250,000 to \$10,902,500.

(\$1,347,500) NR

(1400) Global TransPark Authority

2 Eliminate Operating Funds for Global TransPark

Eliminates operating funds for the Global TransPark Authority provided by the General Fund.

(\$576,982) R

(1500) Global TransPark Authority

3 Eliminate Runway Funds for Global TransPark

Eliminates runway development funds for the Global TransPark Authority provided by the General Fund.

(\$566,359) R

Budget Changes

(\$1,143,341) R

(\$1,347,500) NR

Total Position Changes

Revised Total Budget

\$10,902,500

Transportation

HIGHWAY FUND

FY 02-03

Total Budget Approved 2001 Session

\$1,287,902,372

Budget Changes

(0220) Management Information Systems

4 Reduce Professional Fees for Printing Services

Reduce professional fees for printing services at DMV.

(\$362,232) NR

(5120) Secondary Roads Construction

5 Technical Adjustment to Secondary Roads Allocation

The allocation to secondary roads is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for the secondary roads allocation accordingly. This reduces the secondary road budget by 2% from \$89,387,000 to \$87,500,000.

(\$1,887,000) R

(5180) Construction - Contingency

6 Restores Nonrecurring Funds

In FY 2002, funds budgeted for small urban and rural projects totaled \$15.0 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for small urban and rural construction would decrease to \$10.0 million. With this action, the budget will be restored to \$15.0 million.

\$5,000,000 NR

(5240) Maintenance - Contract Resurfacing

7 Increase Contract Resurfacing Funds

Increases contract resurfacing funding over funding from previous years.

\$5,950,220 NR

(5910) State Aid to Municipalities

8 Technical Adjustment to Aid for Municipalities

The allocation to municipalities is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for aid to municipalities accordingly. This reduces the municipal aid budget by 2% from \$89,387,000 to \$87,500,000.

(\$1,887,000) R

Senate Subcommittee on Transportation

FY 02-03

(5940) Railroad Program

9 Restores Nonrecurring Funds

In FY 2002, funds budgeted for track improvements between Raleigh and Charlotte totaled \$8.2 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for track improvements between Raleigh and Charlotte would therefore decrease to \$3.2 million in FY 2003. With this action, the budget will instead be restored to \$8.2 million.

\$5,000,000 NR

10 Charlotte Multi-Modal Station

Complete right-of-way purchase and provide funds for preliminary engineering and environmental assessment.

\$8,100,000 NR

(5970) Public Transportation Program

11 Increase Public Transportation Funding

Increases public transportation funding over funding from previous years.

\$2,250,000 NR

	2002-2003
Rural Capital	\$1,000,000 NR
Urban Buses and Facilities	\$1,250,000 NR

(6310) Department of Public Instruction

12 Adjustment to Driver Education

Increases funding due to higher projection of number of students.

\$236,109 R

(6330) Global TransPark Authority

13 Reduce Operating Funds for Global TransPark

Reduces operating funds for the Global TransPark Authority provided from the Highway Fund by 19% from \$618,660 to \$500,000.

(\$118,660) R

(6611) Retirement Rate Adjustment

14 TSERS Retirement Rate Adjustment

Reduces the State's contribution rate from 1.97% to zero for members of the Teachers' and State Employees' Retirement System as a result of actuarial gains for valuation ending 12-31-00.

(\$7,257,000) R

(6828) Reserve for Maintenance

15 Restores Nonrecurring Funds

In FY 2002, the budget for maintenance was \$578,632,263. However, this total included \$7,022,971 in nonrecurring funds. In the absence of any action by the General Assembly, the FY 2003 maintenance budget would therefore decrease to \$571,609,292. With this budgetary action, the budget for maintenance will instead be fully restored.

\$7,022,971 NR

Senate Subcommittee on Transportation

FY 02-03

16 Increase Maintenance Expenditures

Increases maintenance funding over funding from previous years.

\$5,950,220 NR

(6837) Reserve for Public Transportation

17 Creates Special Reserve for Public Transportation

\$2,000,000 NR

Budget Changes

(\$10,913,551) R

\$40,911,179 NR

Total Position Changes

Revised Total Budget

\$1,317,900,000

Handout #3

**Senate Appropriations Subcommittee on
Transportation**

Special Provisions

June 11, 2002

1
2 **PART XXIV. DEPARTMENT OF TRANSPORTATION**
3

4 **Special Provision 2002-TRANS-S1-P [v5], Modified 5/31/02 2:17 PM**

5 Requested by: Senator Gulley, Plyler, Odom, Lee

6 **CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
7 **APPROPRIATIONS**

8 **SECTION #.** Section 27.4(a) of S.L. 2001-424 reads as rewritten:

9 **"SECTION 27.4.(a)** The General Assembly authorizes and certifies anticipated
10 revenues of the Highway Fund as follows:

11	FY 2003-2004	\$1,334.6 million	<u>\$1,328.9 million</u>
12	FY 2004-2005	\$1,369.8 million	<u>\$1,374.0 million</u>
13	FY 2005-2006	\$1,406.1 million	<u>\$1,422.4 million</u>
14	FY 2006-2007	\$1,445.5 million	<u>\$1,472.6 million</u>

15 The General Assembly authorizes and certifies anticipated revenues of the Highway
16 Trust Fund as follows:

17	FY 2003-2004	\$1,127.6 million	<u>\$1,019.4 million</u>
18	FY 2004-2005	\$1,176.5 million	<u>\$1,058.5 million</u>
19	FY 2005-2006	\$1,226.8 million	<u>\$1,110.2 million</u>
20	FY 2006-2007	\$1,278.4 million	<u>\$1,162.5 million"</u>

21
22 **Special Provision 2002-TRANS-S4-P [v6], Modified 5/31/02 2:27 PM**

23 Requested by: Senator Gulley, Plyler, Odom, Lee

24 **HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED**

25 **SECTION #.** (a) Section 27.6(b) of S.L. 2001-424 reads as rewritten:

26 **"SECTION 27.6. (b)** Membership. – The Study Committee shall be composed of
27 ~~18~~ members as follows:

- 28 (1) The Chairs of the Joint Legislative Transportation Oversight
29 Committee.
- 30 (2) Four Representatives and ~~three~~four public members appointed by the
31 Speaker of the House of Representatives.
- 32 (3) Four Senators and ~~three~~four public members appointed by the
33 President Pro Tempore of the Senate.

34 The appointing authorities shall make their appointments to reflect the urban-rural
35 diversity of the population of the State."

36 **SECTION #.(b)** Section 27.6(c) of S.L. 2001-424 reads as rewritten:

37 **"SECTION 27.6.(c)** Duties of the Study Committee. – The Committee may study
38 all aspects of the Highway Trust Fund. The study shall include the examination of all
39 the following:

- 40 (1) The current status, cost estimates, and feasibility of Highway Trust
41 Fund projects currently listed in Article 14 of Chapter 136 of the
42 General Statutes.
- 43 (2) Unanticipated problems with the structure of the Highway Trust Fund.

- 1 (3) The gap between transportation funding structures and the actual
2 transportation needs of the State.
- 3 (4) Allocation issues raised by the structure of the transportation funding
4 equity distribution formula in G.S. 136-17.2A.
- 5 (5) The feasibility of altering the project eligibility requirements of the
6 Highway Trust Fund, including permitting the Department of
7 Transportation to add projects as long as adding those projects does
8 not delay projects already to be funded by the Highway Trust Fund,
9 projects scheduled under the 2002-2008 Transportation Improvement
10 Program, and does not impair the cash-flow provisions of G.S.
11 136-176(a1).
- 12 (6) The feasibility of altering the funding allocation structure of the
13 Highway Trust Fund, including the possible use of the Highway
14 Trust Fund to provide the State match for available federal aid
15 highway funds as long as using the funds in this manner does not delay
16 projects already funded by the Highway Trust Fund, projects
17 scheduled under the 2002-2008 Transportation Improvement Program,
18 and does not impair the cash-flow provisions of G.S. 136-176(a1).
- 19 (7) Any other issue related to the Highway Trust Fund or transportation
20 funding."

21 SECTION #.(c) Section 27.6(k) of S.L. 2001-424 reads as rewritten:

22 "SECTION 27.6.(k) Report. – The report of the study shall be made to the Joint
23 Legislative Transportation Oversight Committee no later than April 1, 2002, the first
24 day of the 2003 Session of the General Assembly. Upon the filing of its final report, the
25 Study Committee shall terminate."
26

27 **Special Provision 2002-TRANS-S5-P [v7], Modified 6/9/02 2:22 PM**

28 Requested by: Senator Gulley, Plyler, Odom, Lee

29 **GLOBAL TRANSPARK TERMINATION**

30 SECTION #.(a) Chapter 63A of the General Statutes is repealed effective
31 June 30, 2003.

32 SECTION #.(b) Effective June 30, 2003, the following are repealed:

33 (1) G.S. 126-5(c1)(15)

34 (2) G.S. 150B-1(e)(10)

35 SECTION #.(c) The North Carolina Global TransPark Authority shall not
36 authorize any new projects or activities to be funded from the Escheat Fund or any other
37 public funding source.

38 SECTION #.(d) Unspent appropriations of public funds to the North
39 Carolina Global TransPark Authority for fiscal year 2001-2002 and any other fiscal year
40 shall be used to pay any obligations of the Authority for runway construction and
41 related environmental mitigation expenditures.
42

43 **Special Provision 2002-TRANS-S13-P [v5], Modified 6/7/02 1:30 PM**

44 Requested by: Senators Gulley, Metcalf, Carter, Plyler, Odom, Lee

BILTMORE AVENUE AIRSPACE ENCROACHMENT

SECTION #. The Department of Transportation shall permit private use of and encroachment upon the airspace above Biltmore Avenue located inside the corporate limits of the City of Asheville for the purpose of construction and maintenance of a pedestrian bridge to connect the campuses of Mission St. Joseph's Health System unless, in the opinion of the Department, the bridge will unreasonably interfere with and impair the property rights and easement of abutting owner or unreasonably interfere with or obstruct the public use of Biltmore Avenue.

Special Provision 2002-TRANS-S16-P [v7], Modified 6/7/02 2:54 PM

Requested by: Senator Gulley, Plyler, Odom, Lee

PROPORTIONAL REDUCTION OF USE OF HIGHWAY TRUST FUND CASH BALANCES

SECTION #. G.S. 136-176(a2) reads as rewritten:

"(a2) The Department shall certify to the Joint Legislative Transportation Oversight Committee each year, on or before November 1, that use of the Highway Trust Fund cash balances for these purposes will not adversely affect the delivery schedule of Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program. If the Department cannot certify that the full cash balances authorized in subsection (a1) of this section are available and can be used without adversely affecting the delivery schedule, then if any cash balances are available for the purposes set forth in subdivisions (1) through (4) of subsection (a1) of this section, the Department shall report to the Joint Legislative Transportation Oversight Committee on the actual amounts and proportionally reduce the use of the cash balances for all of these purposes."

Special Provision 2002-TRANS-S17-P [v8], Modified 6/8/02 4:28 PM

Requested by: Senator Gulley, Plyler, Odom, Lee

JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO STUDY MULTIYEAR REGISTRATIONS AND DRIVERS LICENSES

SECTION #. The Joint Legislative Transportation Oversight Committee shall study the feasibility of issuing multiyear motor vehicle registrations and multiyear drivers licenses. The Joint Legislative Transportation Oversight Committee shall report the results of this study to the 2003 General Assembly.

Handout #4

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-S19

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Senator Rand

1 *DIVISION OF MOTOR VEHICLES PRINTING EFFICIENCY*

2 SECTION #. The Department of Transportation is directed to implement a
3 more cost effective method of providing printing services for the Division of Motor
4 Vehicles.

VISITOR REGISTRATION SHEET

Senate Subcommittee on Transportation

June 11, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Waywood Bob	NC DOT
Carole Howard	DOT / DMV
Ashley Huppstetter	The Capital Group
Glenn Lamm	UTU.
Doris Weaver	NC CWA Political Council
DAVID Ailsbrook	NC DOT
DON GOINS	NC DOT
Greg McLeod	NC CCPS

VISITOR REGISTRATION SHEET

Senate Subcommittee on Transportation

June 11, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

John Long	Martin Masnick
Sharon Conrad	NCDOT
Sharon Matthews	DOT-DMV
Colleen Kochanek	Hafer & Caldwell, P.A.
E.D. Walker	NCDOT
PRESTON H. CUDO	NCDOT
Hope Moynihan	NCDOT-DMV
Grady McLathie	NL. Conservation Network
Mark Benson	Crystal Group
[Signature]	NCRRA
Steven Hulsey	NCDOT-IT

VISITOR REGISTRATION SHEET

Senate Subcommittee on Transportation

June 11, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Chris L. Bond	CAPW
Walter A. English J. Ramprasad	Charlotte Chamber NCPTD
Mitch Allard	OSBA
David King	NC DOT
Donna S. Cox	NC DOT
Mercedee Benton	NC DOT
Wayne Stallings	NC DOT
Bill Carstarcken	Charlotte Area Transit System
Ruth Sappie	NC DOT
Sandra Rong	Marlin Marulla

Senate Appropriations Subcommittee on Transportation
Tuesday, June 18, 2002
8:30 AM
Room 1027, Legislative Building

MINUTES

The Senate Appropriations Subcommittee on Transportation met at 8:30 AM on Tuesday, June 18, 2002 in Room 1027 of the Legislative Building. Six Senators were present.

Senator Gulley opened the meeting by reviewing the Senate Highway Fund budget summary sheet. **See Handout #1 and #2.** The changes from last week's report were:

- Line 15, Global TransPark reduction was \$0 from general fund and \$500,000 from Highway Fund, now it was \$0 from general fund and \$1.6 million from Highway Fund. Senator Berger asked if this year's additional money was over and above last weeks report and Senator Gulley replied yes. Senator Hoyle asked about the special provision to have the Global TransPark appropriation phased out and Senator Gulley replied that the special provision had been eliminated.

Senator Rucho asked if the \$1.6 million in nonrecurring funds would put the State on a long-term obligation. Senator Gulley replied that the Department of Transportation (DOT) Deputy Secretary Conti assures the Committee that no additional state funds would be encumbered. Senator Gulley further stated that the Committee was still waiting to hear from the Attorney General's office regarding the States' commitment to the Global TransPark.

- Lines 22 and 23 had been reduced by \$500,000 to make funds available for Global TransPark. Senator Rucho voiced concern about reducing maintenance funds. Also, with the shifting of money from the Highway Trust Fund, projects might have to be delayed. Senator Gulley replied that that was a strong possibility but not an absolute. Senator Hoyle also pointed out that \$700 million remained of the \$950 million bond authorization from five years ago and that money could be made available. Senator Rucho asked Mr. Stallings with DOT why more bonds had not been issued. Mr. Stallings replied that the cash balance in the Highway Trust Fund remained high, so bonds were not needed.

Senator Carpenter asked if the environmental issues that had delayed projects had been eased. Senator Gulley replied that DOT had improved the process and had improved its working relationship with the other state departments. Senator Gulley further stated that there had been a \$17.8 million budget expansion for maintenance.


Next, Senator Gulley reviewed the budget special provisions. **See Handout #3.**

- As stated previously, the special provision to phase out the Global TransPark had been eliminated from last week's report.
- A special provision was added to have a dress code for the DMV driver licenses examiners in an effort to save money for DMV. Senator Berger asked what the savings would be to go from uniforms to khaki slacks and polo shirts. Senator Gulley did not have the figure.
- A special provision was added directing DMV to issue 10-year driver licenses and multiyear motor vehicle registrations. Senator Hoyle stated that a multiyear vehicle registration would hurt the property tax revenue for local governments. Senator Rucho commented that perhaps more thought was needed on this special provision.

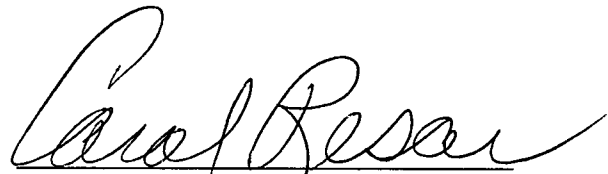
Senator Rucho asked how much North Carolina Railroad (NCR) money was being used for track maintenance. Bob Weiss, Fiscal Analyst stated that NCR signed an agreement with Norfolk-Suffolk for track and NCR repaid the general fund \$19 million.

**Senator Hoyle moved to give the Subcommittee report a favorable report.
Motion carried.**

The meeting was adjourned at 9:15 AM



Senator Wib Gulley, Chair



Carol Resar, Committee Clerk

Senate Highway Fund Budget

		<u>2002-03</u>	
1	Availability		
2	Revenue Estimate (3-7-02)	1,276,600,000	
3	Credit Balance	<u>41,300,000</u>	NR
4	Total	1,317,900,000	
5			
6	Certified Budget	<u>1,287,902,372</u>	
7	Funds Available	29,997,628	
8			
9			
10	Statutory Budget Adjustments and Other Reductions		
11	Powell Bill	(1,887,000)	
12	Secondary Roads	(1,887,000)	
13	Retirement Rate Adjustment	(7,257,000)	
14	Management Information Services Fees	(362,232)	NR
15	Global Transpark Reduction	<u>(618,660)</u>	
16	Subtotal	(12,011,892)	
17			
18	Total Funds Available for Expansion	42,009,520	
19			
20			
21	Expansion		
22	Maintenance - Restore NR Funds	7,022,971	NR
23	Maintenance - Expansion	5,400,220	NR
24	Contract Resurfacing - Expansion	5,400,220	NR
25	R-O-W for Charlotte Train Station	8,100,000	NR
26	Small Urban and Rural Discretionary Projects - Restore NR Funds	5,000,000	NR
27	Public Transportation - Special Reserve Fund	2,000,000	NR
28	Public Transportation - Urban and Rural	2,250,000	NR
29	High Speed Rail - Restore NR Funds	5,000,000	NR
30	Global Transpark Nonrecurring Appropriation	1,600,000	NR
31	Driver Education ADM Requirements	<u>236,109</u>	
32	Subtotal	42,009,520	
33			
34	Balance		

18-Jun-02

Senate Subcommittee on Transportation

Transportation

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$13,393,341

Budget Changes

(1200) Airport Grants

1 Aviation Grant Reduction

Implements reduction recommended by Governor. This reduces the budget for aviation grants by 11% from \$12,250,000 to \$10,902,500.

(\$1,347,500) NR

(1400) Global TransPark Authority

2 Eliminate Operating Funds for Global TransPark

Eliminates operating funds for the Global TransPark Authority provided by the General Fund.

(\$576,982) R

(1500) Global TransPark Authority

3 Eliminate Runway Funds for Global TransPark

Eliminates runway development funds for the Global TransPark Authority provided by the General Fund.

(\$566,359) R

Budget Changes

(\$1,143,341) R

(\$1,347,500) NR

Total Position Changes

Revised Total Budget

\$10,902,500

Transportation

HIGHWAY FUND

FY 02-03

Total Budget Approved 2001 Session

\$1,287,902,372

Budget Changes

(0220) Management Information Systems

4 Reduce Professional Fees for Printing Services

Reduce professional fees for printing services at DMV.

(\$362,232) NR

(5120) Secondary Roads Construction

5 Technical Adjustment to Secondary Roads Allocation

The allocation to secondary roads is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for the secondary roads allocation accordingly. This reduces the secondary road budget by 2% from \$89,387,000 to \$87,500,000.

(\$1,887,000) R

(5180) Construction - Contingency

6 Restores Nonrecurring Funds

In FY 2002, funds budgeted for small urban and rural projects totaled \$15.0 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for small urban and rural construction would decrease to \$10.0 million. With this action, the budget will be restored to \$15.0 million

\$5,000,000 NR

(5240) Maintenance - Contract Resurfacing

7 Increase Contract Resurfacing Funds

Increases contract resurfacing funding over funding from previous years.

\$5,400,220 NR

(5910) State Aid to Municipalities

8 Technical Adjustment to Aid for Municipalities

The allocation to municipalities is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for aid to municipalities accordingly. This reduces the municipal aid budget by 2% from \$89,387,000 to \$87,500,000.

(\$1,887,000) R

(5940) Railroad Program**9 Restores Nonrecurring Funds**

In FY 2002, funds budgeted for track improvements between Raleigh and Charlotte totaled \$8.2 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for track improvements between Raleigh and Charlotte would therefore decrease to \$3.2 million in FY 2003. With this action, the budget will instead be restored to \$8.2 million.

\$5,000,000 NR

10 Charlotte Multi-Modal Station

Complete right-of-way purchase and provide funds for preliminary engineering and environmental assessment.

\$8,100,000 NR

(5970) Public Transportation Program**11 Increase Public Transportation Funding**

Increases public transportation funding over funding from previous years.

\$2,250,000 NR

	2002-2003
Rural Capital	\$1,000,000 NR
Urban Buses and Facilities	\$1,250,000 NR

(6310) Department of Public Instruction**12 Adjustment to Driver Education**

Increases funding due to higher projection of number of students.

\$236,109 R

(6330) Global TransPark Authority**13 Adjust Operating Funds for Global TransPark**

Eliminates recurring operating funds of \$618,660 for the Global TransPark Authority. Provides non-recurring operating funds of \$1,600,000 for FY2003.

(\$618,660) R
\$1,600,000 NR

(6611) Retirement Rate Adjustment**14 TSERS Retirement Rate Adjustment**

Reduces the State's contribution rate from 1.97% to zero for members of the Teachers' and State Employees' Retirement System as a result of actuarial gains for valuation ending 12-31-00.

(\$7,257,000) R

(6828) Reserve for Maintenance**15 Restores Nonrecurring Funds**

In FY 2002, the budget for maintenance was \$578,632,263. However, this total included \$7,022,971 in nonrecurring funds. In the absence of any action by the General Assembly, the FY 2003 maintenance budget would therefore decrease to \$571,609,292. With this budgetary action, the budget for maintenance will instead be fully restored.

\$7,022,971 NR

Senate Subcommittee on Transportation

FY 02-03

16 Increase Maintenance Expenditures

Increases maintenance funding over funding from previous years.

\$5,400,220 NR

(6837) Reserve for Public Transportation

17 Creates Special Reserve for Public Transportation

\$2,000,000 NR

Budget Changes

(\$11,413,551) R

Total Position Changes

\$41,411,179 NR

Revised Total Budget

\$1,317,900,000

Senate Appropriations Subcommittee on
Transportation

Special Provisions

June 18, 2002

1
2 **PART XXVI. DEPARTMENT OF TRANSPORTATION**
3

4 **Special Provision 2002-TRANS-S1-P [v5], Modified 5/31/02 2:17 PM**

5 Requested by: Senators Gulley, Plyler, Odom, Lee

6 **CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
7 **APPROPRIATIONS**

8 **SECTION #.** Section 27.4(a) of S.L. 2001-424 reads as rewritten:

9 **"SECTION 27.4.(a)** The General Assembly authorizes and certifies anticipated
10 revenues of the Highway Fund as follows:

11	FY 2003-2004	\$1,334.6 million	<u>\$1,328.9 million</u>
12	FY 2004-2005	\$1,369.8 million	<u>\$1,374.0 million</u>
13	FY 2005-2006	\$1,406.1 million	<u>\$1,422.4 million</u>
14	FY 2006-2007	\$1,445.5 million	<u>\$1,472.6 million</u>

15 The General Assembly authorizes and certifies anticipated revenues of the Highway
16 Trust Fund as follows:

17	FY 2003-2004	\$1,127.6 million	<u>\$1,019.4 million</u>
18	FY 2004-2005	\$1,176.5 million	<u>\$1,058.5 million</u>
19	FY 2005-2006	\$1,226.8 million	<u>\$1,110.2 million</u>
20	FY 2006-2007	\$1,278.4 million	<u>\$1,162.5 million</u>

21
22 **Special Provision 2002-TRANS-S4-P [v6], Modified 5/31/02 2:27 PM**

23 Requested by: Senators Gulley, Garrou, Plyler, Odom, Lee

24 **HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED**

25 **SECTION #.(a)** Section 27.6(b) of S.L. 2001-424 reads as rewritten:

26 **"SECTION 27.6. (b)** Membership. – The Study Committee shall be composed of
27 ~~16~~18 members as follows:

- 28 (1) The Chairs of the Joint Legislative Transportation Oversight
29 Committee.
30 (2) Four Representatives and ~~three~~four public members appointed by the
31 Speaker of the House of Representatives.
32 (3) Four Senators and ~~three~~four public members appointed by the
33 President Pro Tempore of the Senate.

34 The appointing authorities shall make their appointments to reflect the urban-rural
35 diversity of the population of the State."

36 **SECTION #.(b)** Section 27.6(c) of S.L. 2001-424 reads as rewritten:

37 **"SECTION 27.6.(c)** Duties of the Study Committee. – The Committee may study
38 all aspects of the Highway Trust Fund. The study shall include the examination of all
39 the following:

- 40 (1) The current status, cost estimates, and feasibility of Highway Trust
41 Fund projects currently listed in Article 14 of Chapter 136 of the
42 General Statutes.
43 (2) Unanticipated problems with the structure of the Highway Trust Fund.

- 1 (3) The gap between transportation funding structures and the actual
2 transportation needs of the State.
- 3 (4) Allocation issues raised by the structure of the transportation funding
4 equity distribution formula in G.S. 136-17.2A.
- 5 (5) The feasibility of altering the project eligibility requirements of the
6 Highway Trust Fund, including permitting the Department of
7 Transportation to add projects as long as adding those projects does
8 not delay projects already to be funded by the Highway Trust Fund,
9 projects scheduled under the 2002-2008 Transportation Improvement
10 Program, and does not impair the cash-flow provisions of G.S.
11 136-176(a1).
- 12 (6) The feasibility of altering the funding allocation structure of the
13 Highway Trust Fund, including the possible use of the Highway
14 Trust Fund to provide the State match for available federal aid
15 highway funds as long as using the funds in this manner does not delay
16 projects already funded by the Highway Trust Fund, projects
17 scheduled under the 2002-2008 Transportation Improvement Program,
18 and does not impair the cash-flow provisions of G.S. 136-176(a1).
- 19 (7) Any other issue related to the Highway Trust Fund or transportation
20 funding."

21 SECTION #.(c) Section 27.6(k) of S.L. 2001-424 reads as rewritten:

22 "SECTION 27.6.(k) Report. – The report of the study shall be made to the Joint
23 Legislative Transportation Oversight Committee no later than ~~April 1, 2002.~~ the first
24 day of the 2003 Session of the General Assembly. Upon the filing of its final report, the
25 Study Committee shall terminate."
26

27 **Special Provision 2002-TRANS-S13-P [v5], Modified 6/7/02 1:30 PM**

28 Requested by: Senators Gulley, Metcalf, Carter, Plyler, Odom, Lee

29 **BILTMORE AVENUE AIRSPACE ENCROACHMENT**

30 SECTION #. The Department of Transportation shall permit private use of
31 and encroachment upon the airspace above Biltmore Avenue located inside the
32 corporate limits of the City of Asheville for the purpose of construction and
33 maintenance of a pedestrian bridge to connect the campuses of Mission St. Joseph's
34 Health System unless, in the opinion of the Department, the bridge will unreasonably
35 interfere with and impair the property rights and easement of abutting owner or
36 unreasonably interfere with or obstruct the public use of Biltmore Avenue.
37

38 **Special Provision 2002-TRANS-S16-P [v7], Modified 6/7/02 2:54 PM**

39 Requested by: Senators Gulley, Plyler, Odom, Lee

40 **PROPORTIONAL REDUCTION OF USE OF HIGHWAY TRUST FUND CASH**
41 **BALANCES**

42 SECTION #. G.S. 136-176(a2) reads as rewritten:

43 "(a2) The Department shall certify to the Joint Legislative Transportation Oversight
44 Committee each year, on or before November 1, that use of the Highway Trust Fund

1 cash balances for these purposes will not adversely affect the delivery schedule of
2 Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program.
3 If the Department cannot certify that the full cash balances authorized in subsection (a1)
4 of this section are available and can be used without adversely affecting the delivery
5 schedule, then if any cash balances are available for the purposes set forth in
6 subdivisions (1) through (4) of subsection (a1) of this section, the Department shall
7 report to the Joint Legislative Transportation Oversight Committee on the actual
8 amounts and proportionally reduce the use of the cash balances for all of these
9 purposes."

10
11 **Special Provision 2002-TRANS-S19 [v1], Modified 6/11/02 10:38 AM**

12 Requested by: Senator Rand

13 **DIVISION OF MOTOR VEHICLES PRINTING EFFICIENCY**

14 **SECTION #.** The Department of Transportation is directed to implement a
15 more cost effective method of providing printing services for the Division of Motor
16 Vehicles.

17
18 **Special Provision 2002-TRANS-S20 [v1], Modified 6/14/02 3:50 PM**

19 Requested by: Senators Gulley, Plyler, Odom, Lee

20 **DMV DRIVERS LICENSE EXAMINER DRESS CODE**

21 **SECTION #.** The Secretary of Transportation shall eliminate the
22 requirement that Division Of Motor Vehicle Drivers License examiners wear uniforms.
23 The Secretary shall develop a new dress code for examiners that includes a requirement
24 that examiners wear khaki-type slacks and wear polo-type shirts bearing the Division's
25 logo.

26
27 **Special Provision 2002-TRANS-S21 [v1], Modified 6/17/02 4:57 PM**

28 Requested by: Senators Gulley, Plyler, Odom, Lee

29 **DIVISION OF MOTOR VEHICLES TO IMPLEMENT MULTIYEAR**
30 **REGISTRATIONS AND TEN-YEAR DRIVERS LICENSES**

31 **SECTION #.** The Division of Motor Vehicles shall develop and implement
32 a system of issuing multiyear motor vehicle registrations and ten-year drivers licenses.
33 The Division of Motor Vehicles shall report to the General Assembly on the first day of
34 the 2003 Regular Session on any statutory changes required to implement the multiyear
35 registrations and ten-year licenses.

VISITOR REGISTRATION SHEET

Senate Subcommittee on Transportation

June 18, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Milton Alford	OSBM
Wayne Stallings	NCDOT
E. D. Walker	NCDOT
Preston H. Cudd	NCDOT
Susan Coward	NCDOT
Sharon Matthews	DOT-DMV
Tommy Harsh	Lobbyist
Don Goins	N.C.D.O.T.
BILL WILLIAMS	NCDOT/DOA
C Ratliff	NC State Water
Beau Mills	NC Metro Coalition

Joint Appropriations Transportation Subcommittee

July 10, 2002
10:00 am
Room 1228/1327LB

Chairs

Representative Nelson Cole
Representative Jim Crawford
Senator Wib Gulley

AGENDA

- Improving Air Quality Through the Use of Alternative Fuels
 - Andres Serrano
Worldwide Commercial Manager
The Lubrizol Corporation

- Global TransPark
 - Craven County Taxpayers Association

Joint Appropriations Subcommittee on Transportation
Wednesday, July 10, 2002
10:00 AM
Room 1228, Legislative Building

MINUTES

The Joint Appropriations Subcommittee on Transportation met at 10:00 am on Wednesday, July 10, 2002 in Room 1228 of the Legislative Building. Two Senators and the following Representatives were present: Cole, Cochair, Crawford, Cochair, Bowie, Barbee, Coates, Davis, Dockham, Gulley, Hiatt, McAllister, and Saunders. Senator Wib Gulley presided.

Senator Gulley asked Mr. Andres Serrano from the Lubrizol Corporation to speak on the alternative fuel Purinox™ and its effect on improving air quality. **See Handout #1.** Representative Bowie asked if Purinox™ was just a replacement for diesel fuel. Mr. Serrano replied yes, it was not a regular fuel. Bob Weiss, Fiscal Analyst added that 20% of the motor fuel used in North Carolina was diesel fuel. Representative Davis asked Mr. Serrano if anyone in North Carolina was using Purinox™ at this time and he replied no, but it was being used in Texas, California, Ohio and Delaware.

Mr. Serrano told the Committee that Purinox™ was a mixture of water and diesel fuel and that the water helped to lower emissions by 20% for ozone and 50% for particulate matter (black smoke). He also told the Committee that no engine modifications were necessary. Further, the Air Improvement Resources, Inc., the largest environmental consulting firm in the US, gave Purinox™ a very positive report. The US EPA was doing an assessment on Purinox™ and would finish it by September, 2002.

Representative Bowie asked about the cost per gallon compared to diesel fuel. Mr. Serrano stated that Purinox™ was about 25 cents more per gallon than diesel fuel and it burned at a higher rate. Representative Gulley asked again about the reductions in emissions and Mr. Serrano replied that the reductions varied by application, but there was a reduction. Senator Gulley told the Committee that Texas mandated that the Texas DOT use Purinox™. Also, eight private companies volunteered to use it and the state rebated them the extra cost per gallon.

Next, Senator Gulley asked the representative for the Craven County Taxpayers Association, Mr. Steve Johnson, to address the Committee about the Association's concerns on the Global TransPark. **See Handout #2.** Mr. Johnson told the Committee that the Global TransPark was a black hole. To help with the budget crisis why not cut something from the budget that was not producing anything. Mr. Johnson also stated that the counties did not want their money going to the Global TransPark. Further, the Craven County Airport would be economically hurt because it cannot compete with the Global TransPark due to the fact that it was state subsidized. He reminded the Committee that the General Assembly had asked for a report from DOT on the progress of the Global TransPark by February 2002 and that was postponed until May 2002. He

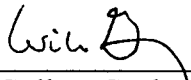
believed that some of the negative information on the Global TransPark was removed from the report. He closed his comments by saying that the Taxpayers Association came to Raleigh to take an interest in their government and they hoped the General Assembly would be good stewards of the taxpayers' money.

After Mr. Johnson's comments, Senator Gulley told him that the members of the Joint Appropriations Subcommittee on Transportation were skeptical of the success of the Global TransPark and that the Attorney General's office was advising the Committee on the future obligations of the General Assembly to the Global TransPark. Senator Gulley advised Mr. Johnson and the other members of the Taxpayers Association to lobby their legislators close to home who were still in favor of the Global TransPark.

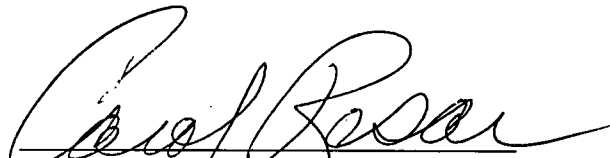
Next, Mr. Cam McRae, Department of Transportation Board member, stated that he represented Craven County on the Board and he offered words of encouragement for the positive future of the Global TransPark. He said that environmental issues slowed the project, but he believed the project would be turned around. He reminded everyone that Raleigh Durham International Airport was competition for all of eastern North Carolina.

Mr. Bob Crawford of Craven County and Mr. Don Phillips, Craven County Commissioner, also spoke against the Global TransPark.

The meeting was adjourned at 11:05 AM.



Senator Wib Gulley, Cochair



Carol Resar, Committee Clerk



Handout #2

P.O. Box 13366
New Bern, NC 28561-3366

Perhaps to a few individuals who have profited from its development since its inception, the Global TransPark represents industrial growth and prosperity. For the rest of us however, it is a black hole, a money pit, and even an outright fraud preying on the hopes of a public.

For years we have been told we need vision to see what is really happening. Instead, we needed to investigate to see what was really happening. \$300 million later we see developers and their unknown partners getting richer and a few individuals receiving 6 figure salaries in an area where the average family makes less than \$25,000 per year. We see NO tangible assets that we did not have already, we see increasing liability and perhaps destruction to the local airport economies of Craven, Pitt and Onslow counties.

In the midst of a state budget crisis (which is highly questionable due to \$17 BILLION in spendable state surpluses sitting on WALL STREET), it comes before you again to decide whether to fund the GTP's fiscal operational expenses. Which coincidentally, is right at \$2.9 million again this year (the same as the \$2.9 million in capital expenditures that were pledged to keep from defaulting on \$33 million in Federal Grant monies. Might there be some confusion here as to what you are deciding on? How did this confusion come about?

Last week our representative, Alice Underhill, handed us a 2 page "PROPAGANDA MEMO" on why many would be forced to vote for another \$2.9 million of GTP funding at a time when the state is supposedly broke. But is this funding for operational expenditures or capital funding??

We don't know where this MEMO originated, perhaps from officials who counted on another year of "lying sideways in the public trough" (to the tune of 6 figures), but if this MEMO is what our trusted politicians are relying upon to make a decision then we must address it directly for its accuracy and efficacy. In fact, any unsigned "non-sourced" material dealing with an important issue; like this, is without merit and should not be used.

Airport director John Price of Craven County tells us that the region does NOT need another airport and to subsidize this Kinston Airport will RIP 25% of the revenues away from New Bern in the form of air traffic business perhaps crippling the airport. This same effect would ripple through Pitt and Onslow County.

The GTP has been unable to entice large outside industries to the area. Common sense prevailed when their grant application for subsidy to transport patrons to the Kinston Airport from areas currently being served by other Regional Airports was disapproved. Their efforts to steal the resources from neighboring communities should not be allowed. If the State of NC wants to drive these other airports out of business using the people's money, Craven, Pitt and Onslow County cannot compete. Keep in mind that residents of Craven County, other surrounding counties, and everyone throughout the mountains of NC's money will be used to do this – whether it is of NO BENEFIT to them or perhaps of a DESTRUCTIVE NATURE to them.

But don't our "trusted" politicians and DOT bureaucrats already know this? The General Assembly requested a report on the status of the GTP from the DOT and Gene Conti's office by February 15, 2002. However, the report was delayed, according to a Carolina Journal investigation, until May 7, 2002 in order to hide and remove politically damaging information from the report. 6 suggestions, by honest researchers from the DOT, that the GTP be terminated, in one form or another, were removed because the original report said that the information was, "**...politically....disasterous to many elected and appointed individuals.**" The report further stated that, "**the amount of praise for finally stopping the financial hemorrhage the GTP is perceived to have become, will be greatly outweighed by the condemnation of the long time opponents and naysayers in the press.**"

In short, the report said that the politicians "**popularity**" is more important than the good of the people. Regardless of the price!!!

Our founding fathers warned us that failing to take an active interest in the affairs of government will result in a government that preys upon the people. Well, although that has already happened, we still have a duty to be here and inform you, our (public) servants and representatives, of the truth!! You have a duty to be a good steward and protect the public from fraud, waste, and abuse!!

So what are you voting on? Tangible reality? or Smoke and mirrors?

WE refuse to continue to point fingers at the GTP for ineffective management of previous funds and lack of results. In effect, they have become impotent. Every constituent of North Carolina is looking at how each of our Legislators will be voting when additional appropriations are made to allow the GTP to linger on during one of the state's worst financial predicaments. Respect has long since vanished for the dream, turned nightmare, and if YOU want your constituents to continue to have any respect for and trust in your decisions - **you must end this folly now!**

VISITOR REGISTRATION SHEET

Joint Subcommittee on Transportation

July 10, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
DAVID HYDEN	NCDOT - SWP
STEVE VARNETDORF	NCDOT - MNT & EQ. BRANCH
JOAN BURNS	NCDOT Office of Chief ENGR. jburns@dot.state.nc.us
MILTON ALFORD	OSBM
LUCILLE E. DICKTEL	CRAVEN COUNTY TAXPAYERS ASSO. P.O. Box 13366 WWW.CCTAXPAYERS.ORG. NEW BRUN, NC. 28561-3366 CCTA (CRAVEN)
Edward Rudzik	CCTA (CRAVEN) "
Raymond A. Ortiz	CCTA (CRAVEN) "
MARIE ANN ORTIZ	CCTA (CRAVEN)
Cam McRae	NCDOT
Gene Conti	NCDOT
Sharon Matthews	DOT - DMV

VISITOR REGISTRATION SHEET

Joint Subcommittee on Transportation

July 10, 2002

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ruth Sappie	NCDOT
Letitia Withrow	NC StateWatch
ANN WORE	OUAS
Ashley H. Stiller	The Capitol Group
BRUCE THOMPSON	PARKER POE ADAMS + BERNSTEIN
Greg McLeod	CCPS
Claire Flux	Met Drug
Ed Regan	N.C.A.C.C
Brian Francis	Meck City
Mary Carmelia	REBIC
Elizabeth Dalton	Bone + Associates

VISITOR REGISTRATION SHEET

Joint Subcommittee on Transportation
Name of Committee

July 10, 2002
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

x	
VL McBride	WETA
Bruce Fennell	NC News Net. (media)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Tuesday, July 23, 2002

TIME: 1:30 p.m.

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **6:00 p.m. on July 22, 2002.**

____ Principal Clerk
____ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

July 23, 2002

1:30 pm

Chairs

Rep. Nelson Cole

Rep. Jim Crawford

AGENDA

Budget Briefing – Committee Staff

- **Highway Fund Budget Adjustments and Expansion for 2002-2003**
- **Comparison Report – Transportation – General Fund**
- **Comparison Report – Highway Fund**
- **Senate Special Provisions**
- **Global TransPark**
- **Highway Trust Fund Comparison Report**
- **Impacts of Highway Trust Fund Transfers**

MINUTES
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JULY 23, 2002

The Appropriations Subcommittee on Transportation met on Tuesday, July 23, 2002, in Room 1228/1327 of the Legislative Building at 1:30 p.m. The following members were present: Presiding Chairman Nelson Cole, Representatives Barbee, Bowie, Coates, Crawford, Davis, Dockham, Gulley, McAllister, Saunders, and Sutton. Staff to the committee, Ken Levenbook, Giles Perry, Evan Rodewald and Bob Weiss attended. Representative Cole introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Budget Briefing (Handout)

Chairman Cole asked staff to present an overview of the proposed budget for the committee. Evan Rodewald began by saying that extra information is provided in the packet because of transfers from the Highway Trust Fund to the General Fund and to show the effects of these transfers on transportation.

Mr. Rodewald referenced Page 3, Highway Fund adjustments and expansion, and highlighted key differences between the Governor's recommendation and what the Senate and House propose. The comparison shows the Governor's proposal to transfer \$30 million to the General Fund. He briefly summarized the reductions in the General Fund Transportation items that eliminate funding for the Global TransPark Authority. The Governor made no recommended changes in Highway Fund spending. Mr. Rodewald explained the differences in the House and Senate budgets.

Bob Weiss was introduced to explain the seven Senate special provisions (Page 8). He then moved to Page 11 to discuss the budget for the Global TransPark. The Senate recommends non-recurring \$1.6 million for FY02-03 from Highway Funds; however, General Fund does not include GTP at all, and Department of Commerce has dropped its budget item for marketing GTP. He cautioned that consideration must be given to GTP's long-term financial obligations of about \$16 million.

Chairman Cole introduced Gene Conti, DOT, to provide the department's perspective on GTP funding. He encouraged support for the proposed funding level of \$1.6 million and said that GTP Authority is prepared to move forward with that level. He is in the process of reviewing a business plan that will soon be completed. Rep. Gulley asked for a line item budget for Global TransPark.

Mr. Rodewald referenced Page 14, Highway Trust Fund Budget, pointing out the differences in the Governor's recommendation compared to the Senate and House budgets. The Governor's budget represents a decrease in availability of \$237 million. The Senate differs in that the \$80 million recurring transfer sunsets after 2 years and the \$125 million nonrecurring transfer represents a loan to be paid back in 5 years. Members

July 23, 2002

discussed how to ensure the loan payback, and Chairman Cole said it needed to be done through an amendment in full Appropriations requiring that it be paid. Page 15 shows how Highway Trust Fund programs are impacted by the \$205 million transfer to the General Fund. Pages 16 and 17 provides more detail on the impact of the Senate and House plans. The important thing this shows is that the TIP is held harmless under the Senate plan, the Cash Management Program bears the brunt of the transfers, and the bonding authority is available should DOT elect to use it. Under the House plan the Cash Management money stays in place, not to keep TIP whole, and the Construction Program would bear the brunt of the transfers.

Representative Davis asked how much is owed on the bond we passed several years back on the loop. Mr. Rodewald will get that information and what the money was used for to respond to Rep. Gulley.

Representative Crawford commented that the members' support is needed to keep these funds in place during the Appropriation process.

The meeting adjourned at 2:50 p.m.



Representative Nelson Cole, Co-Chair



Linda Winstead, Committee Assistant

VISITOR REGISTRATION SHEET

APPROPRIATIONS - TRANSPORTATION SUBCOMMITTEE

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Milton Alford	OSBM
Casey Hawans	DOT / DMV
Fred Allen	NA Aggregates Ass'n.
Sandra Long	Maxin Maritta
Roger Mozinger	INC DMV
Sam Conrad	NCDOT
Elaine Mize	NC BTC
Christina Barber	CAPA
Gene D'Onofrio	NCDOT
Michael Kozak	NCDOT
Ruth Sappie	NCDOT
John Phelps	NCLM
Pat Simmons	NCDOT
Meridell Benton	NCDOT
Donna S. Cut	NCDOT
Whaley Huffer	The Capital Shop
Boyd Coker	City of Charlotte
BRENDON THOMAS	CITY OF CHARLOTTE
[Signature]	[Signature]
Clair Neal	NC DENR
Annette Elling	Office of Governor
Calvin Leggett	DOT
Goofy	Orlando
Benny Seal	NC HC

House Committee on Appropriations

Subcommittee on Transportation

Budget Briefing

July 23, 2002

Contents

	<u>Page</u>
Highway Fund Budget Adjustments and Expansion for 2002-2003	3
Comparison Report – Transportation – General Fund	4
Comparison Report – Highway Fund	5
Senate Special Provisions <i>gab</i>	8
Global TransPark <i>gab</i>	11
Highway Trust Fund Comparison Report <i>ZVAN</i>	14
Impacts of Highway Trust Fund Transfers <i>ZVAN</i>	15

Appendices

Highway Trust Fund Administration	18
Detailed Impacts of Senate Transfers	21
Short and Medium Term Impacts of Senate Transfers	33
Long Term Impacts of Senate Transfers (Bonds)	34
Transfer from Highway Trust Fund to General Fund – Decision Tree	35
Highway Trust Fund Cash Balance Projections	36
Transportation Needs	37
Why Positions Are Not a Rich Source of Savings	39
Charlotte Multi-Modal Station	40
Highway Fund Certified Budget and Comparisons	41

Highway Fund Budget Adjustments and Expansion for 2002-03

	<u>Governor</u>		<u>Senate</u>		<u>House</u>
1 Availability					
2 Revenue Estimate	1,276,600,000		1,276,600,000		1,276,600,000
3 Credit Balance	41,300,000 NR		41,300,000 NR		41,300,000 NR
4 Transfer to General Fund	<u>(30,000,000) NR</u>		<u>-</u>		<u>-</u>
5 Total	1,287,900,000		1,317,900,000		1,317,900,000
6					
7 Certified Budget	<u>1,287,902,372</u>		<u>1,287,902,372</u>		<u>1,287,902,372</u>
8 Funds Available	(2,372)		29,997,628		29,997,628
9					
10					
11 Statutory Budget Adjustments and Other Reductions					
12 Powell Bill			(1,887,000)		(1,887,000)
13 Secondary Roads			(1,887,000)		(1,887,000)
14 Retirement Rate Adjustment			<u>(7,257,000)</u>		<u>(7,257,000)</u>
15 Management Information Services Fees			<u>(362,232) NR</u>		
16 Global Transpark Reduction			<u>(618,660)</u>		<u>(618,660)</u>
17 Subtotal			<u>(12,011,892)</u>		<u>(11,649,660)</u>
18					
19 Total Funds Available for Expansion			42,009,520		41,647,288
20					
21					
22 Expansion					
23 Maintenance - Restore NR Funds			7,022,971 NR		7,022,971 NR
24 Maintenance - Expansion			5,400,220 NR		5,309,662 NR
25 Contract Resurfacing - Expansion			5,400,220 NR		5,309,662 NR
26 R-O-W for Charlotte Train Station			8,100,000 NR		7,918,884 NR
27 Track Improvements, Raleigh to Charlotte- Restore NR Funds			5,000,000 NR		5,000,000 NR
28 Public Transportation - Special Reserve Fund			2,000,000 NR		2,000,000 NR
29 Public Transportation - Urban and Rural			2,250,000 NR		2,250,000 NR
30 Small Urban and Rural Discretionary - Restore NR Funds			5,000,000 NR		5,000,000 NR
31 Global Transpark Nonrecurring Appropriation			1,600,000 NR		1,600,000 NR
32 Driver Education ADM Requirements			236,109		236,109
33 Subtotal			<u>42,009,520</u>		<u>41,647,288</u>
34					
35 Balance					
45					
46					
47					
48 align="center"> General Fund Budget for 2002-03					
49					
50 Reduction in Aviation Grants	(1,347,500) NR		(1,347,500) NR		(1,347,500) NR
51 Eliminate General Fund Support for Global TransPark	<u>(125,992)</u>		<u>(1,143,341)</u>		<u>(1,143,341)</u>
52 Total Reduction	<u>(1,473,492)</u>		<u>(2,490,841)</u>		<u>(2,490,841)</u>

22-Jul-02

House/Senate Comparison Report

Transportation
 General Fund
 House
FY 02-03
 Senate
FY 02-03
 Governor

(1200) Airport Grants

1 Aviation Grant Reduction

Implements reduction recommended by Governor. This reduces the budget for aviation grants by 11% from \$12,250,000 to \$10,902,500.

(\$1,347,500) NR (\$1,347,500) NR (~~\$1,347,500~~)

(1400) Global TransPark Authority

2 Eliminate Operating Funds for Global TransPark

Eliminates operating funds for the Global TransPark Authority provided by the General Fund.

(\$576,982) (\$576,982) \$125,992

(1500) Global TransPark Authority

3 Eliminate Runway Funds for Global TransPark

Eliminates runway development funds for the Global TransPark Authority provided by the General Fund.

(\$566,359) (\$566,359)

Department Totals

	(\$1,143,341)	(\$1,143,341)
	(\$1,347,500) NR	(\$1,347,500) NR

House/Senate Comparison Report

Transportation

Highway Fund

House
FY 02-03

Senate
FY 02-03

(Governor made no recommendations on Highway Fund spending)

(0220) Management Information Systems

1 Reduce Professional Fees for Printing Services

Reduce professional fees for printing services at DMV.

(\$362,232) NR

(5120) Secondary Roads Construction

2 Technical Adjustment to Secondary Roads Allocation

(\$1,887,000)

(\$1,887,000)

The allocation to secondary roads is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for the secondary roads allocation accordingly. This reduces the secondary road budget by 2% from \$89,387,000 to \$87,500,000.

(5180) Construction - Contingency

Restores Nonrecurring Funds

In FY 2002, funds budgeted for small urban and rural projects totaled \$15.0 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for small urban and rural construction would decrease to \$10.0 million. With this action, the budget will be restored to \$15.0 million

\$5,000,000 NR

\$5,000,000 NR

(5240) Maintenance - Contract Resurfacing

4 Increase Contract Resurfacing Funds

Increases contract resurfacing funding over funding from previous years.

\$5,309,662 NR

\$5,400,220 NR

Transportation

House
FY 02-03

Senate
FY 02-03

(5910) State Aid to Municipalities

5	Technical Adjustment to Aid for Municipalities	(\$1,887,000)	(\$1,887,000)
---	--	---------------	---------------

30 Oct 02 Bill

The allocation to municipalities is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for aid to municipalities accordingly. This reduces the municipal aid budget by 2% from \$89,387,000 to \$87,500,000.

(5940) Railroad Program

6	Charlotte Multi-Modal Station		
	Complete right-of-way purchase and provide funds for preliminary engineering and environmental assessment.	\$7,918,884 NR	\$8,100,000 NR

7	Restores Nonrecurring Funds <i>Rail Div</i>		
	In FY 2002, funds budgeted for track improvements between Raleigh and Charlotte totaled \$8.2 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for track improvements between Raleigh and Charlotte would therefore decrease to \$3.2 million in FY 2003. With this action, the budget will instead be restored to \$8.2 million.	\$5,000,000 NR	\$5,000,000 NR

(5970) Public Transportation Program

8	Increase Public Transportation Funding		
	Increases public transportation funding over funding from previous years.	\$2,250,000 NR	\$2,250,000 NR
	Rural Capital	2002-2003	
	Urban Buses and Facilities	\$1,000,000 NR	
		\$1,250,000 NR	

(6310) Department of Public Instruction

9	Adjustment to Driver Education	\$236,109	\$236,109
---	--------------------------------	-----------	-----------

Increases funding due to higher projection of number of students.

Transportation

House
FY 02-03

Senate
FY 02-03

(6330) Global TransPark Authority

10	Adjust Operating Funds for Global TransPark <i>HF portion</i>	(\$618,660)		(\$618,660)	
	Eliminates recurring operating funds of \$618,660 for the Global TransPark Authority. Provides non-recurring operating funds of \$1,600,000 for FY2003.	\$1,600,000	NR	\$1,600,000	NR

(6611) Retirement Rate Adjustment

11	TSERS Retirement Rate Adjustment	(\$7,257,000)		(\$7,257,000)	
	Reduces the State's contribution rate from 1.97% to zero for members of the Teachers' and State Employees' Retirement System as a result of actuarial gains for valuation ending 12-31-00.				

(6828) Reserve for Maintenance

12	Restores Nonrecurring Funds				
	In FY 2002, the budget for maintenance was \$578,632,263. However, this total included \$7,022,971 in nonrecurring funds. In the absence of any action by the General Assembly, the FY 2003 maintenance budget would therefore decrease to \$571,609,292. With this budgetary action, the budget for maintenance will instead be fully restored.	\$7,022,971	NR	\$7,022,971	NR

13	Increase Maintenance Expenditures				
	Increases maintenance funding over funding from previous years.	\$5,309,662	NR	\$5,400,220	NR

(6837) Reserve for Public Transportation

14	Creates Special Reserve for Public Transportation				
		\$2,000,000	NR	\$2,000,000	NR
	Department Totals	(\$11,413,551)		(\$11,413,551)	
		\$41,411,179	NR	\$41,411,179	NR

1
2 **PART XXV. OFFICE OF THE STATE CONTROLLER**
3

4 Requested by: Senators Warren, Harris, Plyler, Odom, Lee

5 **OVERPAYMENTS AUDIT**

6 **SECTION 25.1.(a)** During the 2002-2003 fiscal year, receipts generated by
7 the collection of inadvertent overpayments by State agencies to vendors as a result of
8 pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed
9 refunds, erroneously paid excise taxes, and related errors as required by
10 G.S.147-86.22(c) are to be deposited in the Special Reserve Account 24172.

11 **SECTION 25.1.(b)** For the 2002-2003 fiscal year, two hundred thousand
12 dollars (\$200,000) of the funds transferred from the Special Reserve Account 24172
13 shall be used by the Office of the State Controller for data processing, debt collection,
14 or other information technology initiatives.

15 **SECTION 25.1.(c)** All funds available in the Special Reserve Account
16 24172 on July 1, 2002, are transferred to the General Fund on that date.

17 **SECTION 25.1.(d)** Any unobligated funds in the Special Reserve Account
18 24172 that are realized above the allowance in subsection (b) of this section are subject
19 to appropriation by the General Assembly in the 2003 Regular Session of the General
20 Assembly.

21 **SECTION 25.1.(e)** The State Controller shall report quarterly to the Joint
22 Legislative Commission on Governmental Operations and the Fiscal Research Division
23 on the revenue deposited into the Special Reserve Account and the disbursement of that
24 revenue.

25
26 **PART XXVI. DEPARTMENT OF TRANSPORTATION** ✓
27

28 Requested by: Senators Gulley, Plyler, Odom, Lee

29 **CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
30 **APPROPRIATIONS**

31 **SECTION 26.1.** Section 27.4(a) of S.L. 2001-424 reads as rewritten:

32 **"SECTION 27.4.(a)** The General Assembly authorizes and certifies anticipated
33 revenues of the Highway Fund as follows:

34	FY 2003-2004	\$1,334.6 million	<u>\$1,328.9 million</u>
35	FY 2004-2005	\$1,369.8 million	<u>\$1,374.0 million</u>
36	FY 2005-2006	\$1,406.1 million	<u>\$1,422.4 million</u>
37	FY 2006-2007	\$1,445.5 million	<u>\$1,472.6 million</u>

38 The General Assembly authorizes and certifies anticipated revenues of the Highway
39 Trust Fund as follows:

40	FY 2003-2004	\$1,127.6 million	<u>\$1,019.4 million</u>
41	FY 2004-2005	\$1,176.5 million	<u>\$1,058.5 million</u>
42	FY 2005-2006	\$1,226.8 million	<u>\$1,110.2 million</u>
43	FY 2006-2007	\$1,278.4 million	<u>\$1,162.5 million</u>

44
45 Requested by: Senators Gulley, Garrou, Plyler, Odom, Lee

46 **HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED**

47 **SECTION 26.2.(a)** Section 27.6(b) of S.L. 2001-424 reads as rewritten:

48 **"SECTION 27.6. (b)** Membership. – The Study Committee shall be composed of
49 ~~16~~18 members as follows:

- 50 (1) The Chairs of the Joint Legislative Transportation Oversight
51 Committee.
52 (2) Four Representatives and ~~three~~four public members appointed by the
53 Speaker of the House of Representatives.
54 (3) Four Senators and ~~three~~four public members appointed by the
55 President Pro Tempore of the Senate.

1 The appointing authorities shall make their appointments to reflect the urban-rural
2 diversity of the population of the State."

3 **SECTION 26.2.(b)** Section 27.6(c) of S.L. 2001-424 reads as rewritten:

4 "**SECTION 27.6.(c)** Duties of the Study Committee. – The Committee may study
5 all aspects of the Highway Trust Fund. The study shall include the examination of all
6 the following:

- 7 (1) The current status, cost estimates, and feasibility of Highway Trust
8 Fund projects currently listed in Article 14 of Chapter 136 of the
9 General Statutes.
- 10 (2) Unanticipated problems with the structure of the Highway Trust Fund.
- 11 (3) The gap between transportation funding structures and the actual
12 transportation needs of the State.
- 13 (4) Allocation issues raised by the structure of the transportation funding
14 equity distribution formula in G.S. 136-17.2A.
- 15 (5) The feasibility of altering the project eligibility requirements of the
16 Highway Trust Fund, including permitting the Department of
17 Transportation to add projects as long as adding those projects does
18 not delay projects already to be funded by the Highway Trust Fund,
19 projects scheduled under the 2002-2008 Transportation Improvement
20 Program, and does not impair the cash-flow provisions of G.S.
21 136-176(a1).
- 22 (6) The feasibility of altering the funding allocation structure of the
23 Highway Trust Fund, including the possible use of the Highway
24 Trust Fund to provide the State match for available federal aid
25 highway funds as long as using the funds in this manner does not delay
26 projects already funded by the Highway Trust Fund, projects
27 scheduled under the 2002-2008 Transportation Improvement Program,
28 and does not impair the cash-flow provisions of G.S. 136-176(a1).
- 29 (7) Any other issue related to the Highway Trust Fund or transportation
30 funding."

31 **SECTION 26.2.(c)** Section 27.6(k) of S.L. 2001-424 reads as rewritten:

32 "**SECTION 27.6.(k)** Report. – The report of the study shall be made to the Joint
33 Legislative Transportation Oversight Committee no later than April 1, 2002, the first
34 day of the 2003 Session of the General Assembly. Upon the filing of its final report, the
35 Study Committee shall terminate."
36

37 Requested by: Senators Gulley, Metcalf, Carter, Plyler, Odom, Lee
38 **BILTMORE AVENUE AIRSPACE ENCROACHMENT**

39 **SECTION 26.3.** The Department of Transportation shall permit private use
40 of and encroachment upon the airspace above Biltmore Avenue located inside the
41 corporate limits of the City of Asheville for the purpose of construction and
42 maintenance of a pedestrian bridge to connect the campuses of Mission St. Joseph's
43 Health System unless, in the opinion of the Department, the bridge will unreasonably
44 interfere with and impair the property rights and easement of abutting owner or
45 unreasonably interfere with or obstruct the public use of Biltmore Avenue.
46

47 Requested by: Senators Gulley, Plyler, Odom, Lee
48 **PROPORTIONAL REDUCTION OF USE OF HIGHWAY TRUST FUND CASH**
49 **BALANCES**

50 **SECTION 26.4.** G.S. 136-176(a2) reads as rewritten:

51 "(a2) The Department shall certify to the Joint Legislative Transportation Oversight
52 Committee each year, on or before November 1, that use of the Highway Trust Fund
53 cash balances for these purposes will not adversely affect the delivery schedule of
54 Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program.
55 If the Department cannot certify that the full cash balances authorized in subsection (a1)

1 of this section are available and can be used without adversely affecting the delivery
 2 schedule, then if any cash balances are available for the purposes set forth in
 3 subdivisions (1) through (4) of subsection (a1) of this section, the Department shall
 4 report to the Joint Legislative Transportation Oversight Committee on the actual
 5 amounts and proportionally reduce the use of the cash balances for all of these
 6 purposes."

7
 8 Requested by: Senators Rand, Plyler, Odom, Lee

9 **DIVISION OF MOTOR VEHICLES PRINTING EFFICIENCY**

10 **SECTION 26.5.** The Department of Transportation is directed to implement
 11 a more cost effective method of providing printing services for the Division of Motor
 12 Vehicles.

13
 14 Requested by: Senators Gulley, Plyler, Odom, Lee

15 **DMV DRIVERS LICENSE EXAMINER DRESS CODE**

16 **SECTION 26.6.** The Secretary of Transportation shall eliminate the
 17 requirement that Division Of Motor Vehicle Drivers License examiners wear uniforms.
 18 The Secretary shall develop a new dress code for examiners that includes a requirement
 19 that examiners wear khaki-type slacks and wear polo-type shirts bearing the Division's
 20 logo.

21
 22 Requested by: Senators Gulley, Plyler, Odom, Lee

23 **DIVISION OF MOTOR VEHICLES TO IMPLEMENT MULTIYEAR**
 24 **REGISTRATIONS AND TEN-YEAR DRIVERS LICENSES**

25 **SECTION 26.7.** The Division of Motor Vehicles shall develop and
 26 implement a system of issuing multiyear motor vehicle registrations and ten-year
 27 drivers licenses. The Division of Motor Vehicles shall report to the General Assembly
 28 on the first day of the 2003 Regular Session on any statutory changes required to
 29 implement the multiyear registrations and ten-year licenses.

30
 31 **PART XXVII. INFORMATION TECHNOLOGY**

32
 33 Requested by: Senators Reeves, Plyler, Odom, Lee

34 **ELECTRONIC PROCUREMENT AND STATE INFORMATION**
 35 **TECHNOLOGY PROCUREMENT BY SECRETARY OF**
 36 **ADMINISTRATION**

37 **SECTION 27.1.(a)** G.S. 143-48.3(a) reads as rewritten:

38 "(a) The Department of Administration ~~and the~~ shall develop and maintain
 39 electronic or digital standards for procurement. The Department of Administration shall
 40 consult with the Office of the State Controller, in conjunction with the Office of
 41 Information Technology Services (ITS), the Department of State Auditor, the
 42 Department of State Treasurer, The University of North Carolina General
 43 Administration, the Community Colleges System Office, and the Department of Public
 44 Instruction shall collaborate to develop electronic or digital procurement
 45 standards. Instruction."

46 **SECTION 27.1.(b)** G.S. 143-48.3(c) reads as rewritten:

47 "(c) The Department of Administration shall utilize the Office of Information
 48 Technology Services ~~shall act as an Application Service Provider for an electronic~~
 49 procurement system and shall establish, manage, and system. The Office of Information
 50 Technology Services shall operate this electronic procurement system, through State
 51 ownership or commercial leasing, in accordance with the requirements and operating
 52 standards developed by the Department of Administration, the Office of the State
 53 Controller, and ITS. Administration and the financial reporting and accounting
 54 procedures of the Office of the State Controller."

July 22, 2002

Global TransPark

GTP Budget

Current GTP Budget, Governor's Recommendation, and Senate Budget

	FY01-02	FY02-03 Certified	Governor's Recommendation FY02-03	Senate Budget FY02-03
Highway Fund (for operations)	\$605,549	\$618,660	\$618,660	\$1,600,000
<u>General Fund</u>				
Operations	\$2,204,451	\$576,982	\$450,990	
Runway Development	\$575,549	\$566,359	\$566,359	
General Fund Total	\$2,780,000	\$1,143,341	\$1,017,349	
GRAND TOTAL	\$3,385,549	\$1,762,001	\$1,636,009	\$1,600,000

These funds are in addition to the \$10.2 million cash on hand that GTP has for environmental mitigation as our part of the agreement with FAA.

The Senate Budget for GTP for FY02-03 (General Fund and Highway Fund) is:

- **\$1,785,549 less than GTP had in FY01-02.**
- **\$162,001 less than GTP would have in the second year of the current budget.**
- **\$36,009 less than the Governor's recommendation.**
- The State has spent over \$45 million on the GTP project (\$19 million from the Highway Fund and \$26 million from the General Fund). The federal government has spent over \$28 million.
- GTP Long Term Financial Obligations –\$16 million
 - \$12.5 million to the Escheat Fund. The final maturity on these obligations is June 30, 2004. The General Assembly has stated its intention to hold the Escheat Fund harmless from any loss.
 - \$2.9 million for remaining runway match – The runway extension is a \$35 million project, \$17.5 million each from the State and the federal government. The federal money has all been spent and the runway itself is essentially complete and is expected to be fully complete in December 2002. Most of the State's funding will be used for environmental mitigation to make up for the wetlands lost in extending the runway. GTP has \$10.2 million on hand to work on this task, which will take several years, and will require an additional \$2.9 million in State appropriations to fully fund the State's match.

- \$660,000 to USDA to repay loan used to construct Fixed Base Operator Hangars. The loan is at 4.75% for forty years.
- GTP has been awarded a \$3.78 million federal grant to upgrade the Instrument Landing System to Category III. This will require State funds of approximately \$750,000.
- GTP Obligations – The Attorney General’s Office is reviewing GTP’s contractual obligations, including:
 - GTP and its predecessors have received grants from FAA, which may entail certain obligations to keep the airport open.
 - There is a Joint Use Agreement with the military that allows military use of the GTP.
 - GTP has contracts with construction companies, other vendors, and tenants in its buildings.
 - The grant from EDA for the Education and Training Center requires that the facility have an economic development focus.
- Planned Capital Projects – GTP has identified over \$23 million of potential future projects to complete the existing airfield facility and environmental requirements and to complete the air cargo operational facilities. Most of this would have to come from new appropriations or the Escheat Fund.
- Completing the Crescent Road Project (a TIP project) - \$76 million
This is the main highway project serving GTP. The project was actually in the Kinston Thoroughfare Plan before GTP was created but it is more elaborate than it would have been without GTP. The project has three segments: one is complete, one is under construction, and one will be under construction in FY05. The total cost is \$96 million and \$20 million has been spent so far.

Recommendations from DOT and Community College System

In response to special provisions in SB 1005, DOT and the Community College System prepared reports and recommendations for the General Assembly on use of the GTP’s main assets, the airport and the Education and Training Center.

- DOT has proposed that its Aviation Division take over airport operations and develop a business plan to do additional training and other airport related business operations, e.g. mechanic and pilot training, super safety seminar, regain commercial service.
- The Community College system’s consultant evaluated five alternatives, one of which was for the Education and Training Center to become a regional technology center, with Lenoir Community College as the lead institution. He estimated that financial requirements from the State would be similar to what it is paying now to maintain and keep up-to-date the Education and Training Center (about \$650,000 per year).

State Funding for the Global TransPark Authority

	Highway Fund	General Fund	Total
1991-92	\$ 2,610,000		\$ 2,610,000
1992-93	\$ 6,455,250		\$ 6,455,250
1993-94	\$ 750,000		\$ 750,000
1994-95	\$ 3,620,000		\$ 3,620,000
1995-96	\$ 750,000		\$ 750,000
1996-97	\$ 750,000	\$ 3,277,000	\$ 4,027,000
1997-98	\$ 750,000		\$ 750,000
1998-99	\$ 769,566	\$ 7,325,000	\$ 8,094,566
1999-00	\$ 1,100,512	\$ 8,825,000	\$ 9,925,512
2000-01	\$ 1,164,517	\$ 3,842,717	\$ 5,007,234
2001-02	\$ 605,549	\$ 2,780,000	\$ 3,385,549
Total	\$19,325,394	\$26,049,717	\$45,375,111

In recent years GTP has also received \$172,036 per year for marketing through the Department of Commerce. These funds are not included in the Senate's budget.

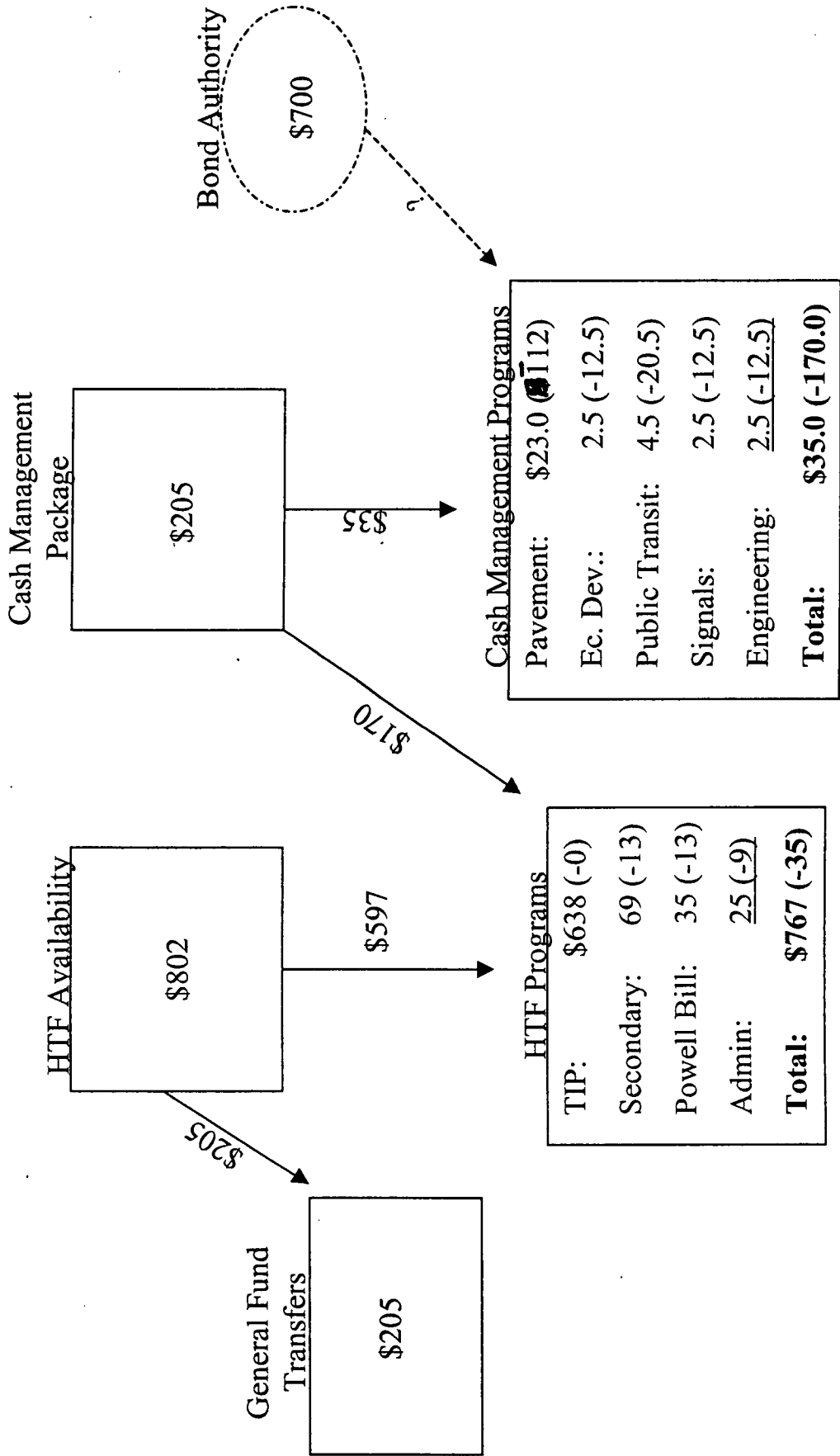
Highway Trust Fund Budget for 2002-03

	<u>Certified</u>	<u>Governor's Recommendations</u>	<u>Senate Budget</u>	<u>Draft House Recommendations</u>
<u>Revenue</u>				
Highway Trust Fund Revenue	1,032,274,000	974,830,000	974,830,000	974,830,000
Statutory Transfer to General Fund	(172,400,000)	(172,400,000)	(172,400,000)	(172,400,000)
Additional Recurring Transfer	-	(80,000,000)	(80,000,000)	(80,000,000)
Additional Nonrecurring Transfer	-	(100,000,000)	(125,000,000)	(125,000,000)
Revenue Available for Transportation	859,874,000	622,430,000	597,430,000	597,430,000
<u>Appropriations</u>				
Intrastate System	487,983,396	348,111,325	333,320,763	328,765,110
Secondary Roads	87,296,412	71,260,712	69,708,837	69,230,843
Urban Loops	197,320,162	140,761,722	134,781,035	132,938,918
Aid to Municipalities	51,200,841	36,524,998	34,973,123	34,495,129
Program Administration	36,073,189	25,771,243	24,646,242	32,000,000
Grand Total/Highway Trust Fund	859,874,000	622,430,000	597,430,000	597,430,000

Impact to Transportation of \$205 Million Transfer to General Fund

	<u>Senate Budget</u>	<u>House Recommendations</u>
TIP:	Held harmless by cash management legislation (SB 1005)	-\$177 million (impact details on pp. 31-32. Impacts could be minimized by selling bonds.
Secondary Roads:	-\$13 million	-\$13 million
Powell Bill:	-\$13 million	-\$13 million
Administration:	-\$9 million	-\$2 million
Cash Management Projects:	-\$170 million (impact details on pp. 21-30). Impacts could be minimized by selling bonds.	Held harmless by changing cash management provision.
Total Impact:	-\$205 million	-\$205 million

Senate Plan (\$ Millions)



HTF Availability

\$802

General Fund Transfers

\$205

HTF Programs

TIP:	\$638 (-0)
Secondary:	69 (-13)
Powell Bill:	35 (-13)
Admin:	<u>25 (-9)</u>
Total:	\$767 (-35)

Cash Management Package

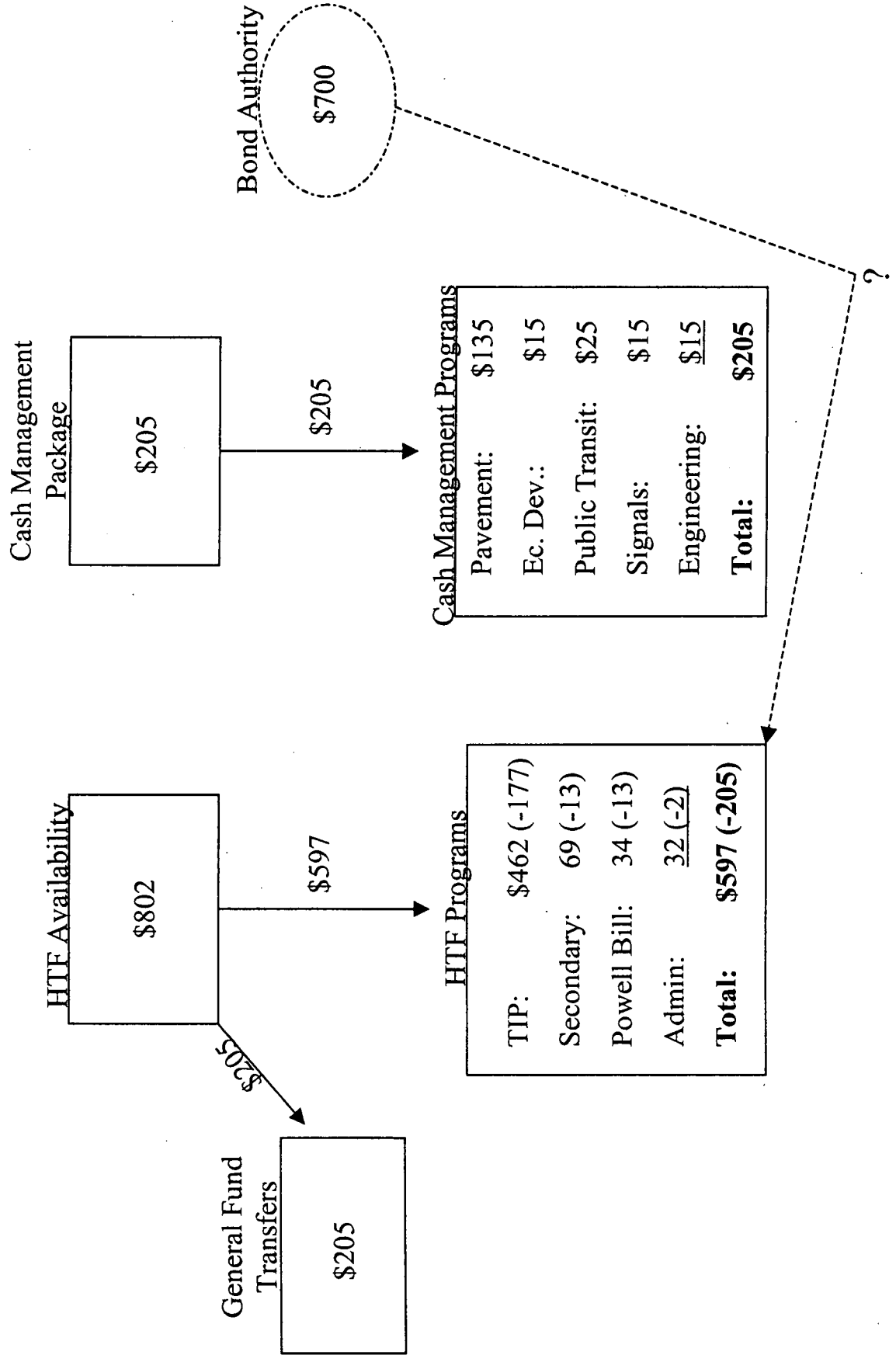
\$205

Cash Management Programs

Pavement:	\$23.0 (-112)
Ec. Dev.:	2.5 (-12.5)
Public Transit:	4.5 (-20.5)
Signals:	2.5 (-12.5)
Engineering:	<u>2.5 (-12.5)</u>
Total:	\$35.0 (-170.0)

Bond Authority
\$700

House Plan (\$ Millions)





STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

June 25, 2002

The Honorable James W. Crawford, Jr.
The Honorable Nelson Cole
House Transportation Appropriations Subcommittee
North Carolina House of Representatives
Raleigh, North Carolina

Gentlemen:

The Highway Trust Fund law, G.S. 136-176(b) allows up to 4.5 percent of the Highway Trust Fund revenue derived from gasoline taxes, highway use taxes, \$20 per title fee, and miscellaneous registration fees to be used for administration. Since the beginning of the Highway Trust Fund this amount has been computed net of the transfer from the Highway Trust Fund to the General Fund. The Office of State Budget and Management adopted this method which has been used even though the law does not require the reduction in the base for the transfer to the General Fund.

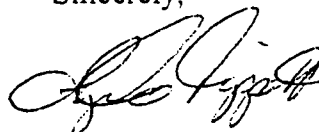
The exclusion of the transferred amount (\$170 million in most years) has reduced the amount available for administration. The Department has not needed a greater amount for administration and has not sought to change the computation to enlarge the administrative allowance. The Senate budget proposes to substantially increase the transfer from the Highway Trust Fund to the General Fund. If the traditional method for calculating the administrative allowance is followed, the amount available will drop below the current budgeted level for administration. These shortages would have to be made up from the Highway Fund. The General Assembly increased the amount of recurring budgeted Highway Trust Fund Administration several years ago to free funds in the Highway Fund for highway maintenance.

I believe it is now necessary to compute the administrative allowance using the full base of revenues provided for in G.S. 136-176(b). Doing so would raise the administrative allowance to over \$41 million for 2002-03. However, the Department does not desire to use a sum that large on administration and proposes that the administrative allowance from the Highway Trust Fund be set by the General Assembly at \$35 million for 2002-03. The attachment shows how the 2002-03 budget with the

The Honorable James W. Crawford, Jr.
The Honorable Nelson Cole
June 25, 2002
Page 2

transfers approved by the Senate would appear if \$35 million for administration were approved. I am requesting that the House revise the budget to reflect this appropriation for administration.

Sincerely,



Lyndo Tippett

LT/ws
Cc: Dan DeVane, Deputy Secretary
Susan Coward, Legislative Liaison
Wayne Stallings, Chief Financial Officer

**Recommended Highway Trust Fund Appropriations for 2002-03
Using Senate Proposal for Transfers to the General Fund and
Capping Administration at \$35 million**

Intrastate System	\$ 326,906,610
Secondary Roads	69,035,843
Urban Loops	132,187,419
State Aid to Municipalities	34,300,129
Program Administration	35,000,000
Transfer to the General Fund	377,400,000
Total	\$ 974,830,000

Impact of Senate Budget on 2002-03 Cash Management Projects

	<u>Originally Authorized</u>	<u>SB 1115 Reductions</u>	<u>Revised Authorizations</u>	<u>Impact on Projects Shown on Pages...</u>
Pavement Preservation	135,000,000	112,164,751	22,835,249	pp. 22 - 24
Economic Development Roads	15,000,000	12,462,750	2,537,250	-
Signal Systems	15,000,000	12,462,750	2,537,250	p. 25
Preliminary Engineering	15,000,000	12,462,750	2,537,250	p. 26
<u>Public Transportation</u>				
New Starts	14,000,000	11,631,900	2,368,100	pp. 27, 30
Rural Capital/Facilities/Human Service	8,000,000	6,646,800	1,353,200	pp. 27 - 29
Urban/Regional Operating	3,000,000	2,492,550	507,450	p. 29
Total from Cash Balances	205,000,000	170,324,251	34,675,749	

Revised 7/9/02

Pavement Preservation Projects - 2002-03

Under the Senate budget, pavement preservation funding would be reduced from \$135 million to \$23 million. The projects scheduled for 2002-03 (listed below) would be cut by 83%. On average, each Highway Division would face a reduction in its pavement preservation funding from about \$10 million to roughly \$2 million.

Division	County	Route	Length	Description
1	Dare	US 158	16.1	Dogwood Trail to US 64
1	Chowan	NC 32/37	4.5	Albemarle sound Bridge to Perquimans CL
1	Perquimans	NC 37	0.12	Chowan CL to US 17
1	Northampton	NC 305	11.16	US 158 in Jackson to US 258 in Rich Square
1	Pasquotank	US 17	14	North End of Elizabeth City Bypass to South End of Elizabeth City Bypass
			45.88	
Division	County	Route	Length	Description
2	Pitt	US 264A	4.44	Elm Street to US 13
2	Lenoir	US 70	11.6	Wayne CL to US 258
			16.04	
Division	County	Route	Length	Description
3	Duplin	NC 11	9	NC 111 to Wayne Co
3	Onslow	NC 50	1.15	SR 1105 to Pender CL
3	Onslow	NC 50	2.2	WCL of Holly Ridge to SR 1146
3	Onslow	US 17	2.59	NCL of Jacksonville to End of Divided Highway
3	Sampson	NC 24	10.57	US 421 to Duplin CL
			25.51	
Division	County	Route	Length	Description
4	Nash	US 64	14.4	NC 581 to Stoney Creek (I-95)
4	Wayne	US 117	11.27	Duplin CL to US 13
			25.67	
Division	County	Route	Length	Description
5	Wake	US 401	4	Dawson St. to Brentwood Road
5	Wake	US 70	1.7	NC 50 to Duraleigh Road
5	Durham	US 70	3.5	Marley Drive to 0.3 miles W. of NC 98
5	Wake	NC 50	15.1	US 70 to Granville CL

Division	County	Route	Length	Description
5	Durham	US 501	5.2	S. Lowell Dr. to Person CL
5	Franklin	US 64	3.6	Wake CL to Nash CL
5	Wake	US 1	1	Calvary Drive to 0.2 miles N. of Spring Forest
5	Durham	US 15/501B	1.4	Tower Blvd. to end of Divided Section
5	Wake	NC 54	5.2 40.7	Aviation Parkway to I-40
Division	County	Route	Length	Description
6	Robeson	NC 72	13.4	SCL Lumberton to NC 710
6	Columbus	NC 242	13.72	US 76 to Bladen CL
6	Bladen	NC 242	5.6	Columbus CL to NC 131
6	Harnett	NC 42	6	Wake Co to Chatham Co.
6	Harnett	US 401	10.3	US 421 to Wake CL
6	Cumberland	NC 210	3	US 401 Byp. To Begin Divided Section
6	Cumberland	NC 210	0.95	NC 24/87 to North CL of Spring Lake
6	Cumberland	NC 24/27	3.8	NC 210 to NC 690
6*	Robeson	NC 211	7.4 64.17	Lumberton CL to Bladen CL

* Scheduled for 6/25/02 testing

Division	County	Route	Length	Description
7	Orange	US 70	4.48	SR 1562 to Durham CL
7	Orange	NC 86	3.8	SR 1508 to Caswell CL
7	Guilford	US 421	Team with Div. 9 on US 421	
7	Rockingham	US 29 NB	15.67 23.95	Tr. Creek to Mayfield Rd
Division	County	Route	Length	Description
8	Moore/Montgomery	NC 211	11.01	SR 1238 to US 220A, Candor
8	Moore/Lee	US 15/501	10.28	NCL Carthage to US 1 (Lee Co)
8	Lee	US 421	8.96	RR Underpass to end 4-lanes
8	Montgomery	US 220	5.62	Begin 4-Lanes to NC 24/27
8	Randolph	NC 49	5.68 41.55	Begin 4 Lane to Davidson Co.
Division	County	Route	Length	Description
9	Davie	US 158	5	SR 1630 to SR 1410
9	Forsyth	US 421	7.75	Linville Road to Guilford CL
9	Forsyth	NC 67	4.44	SR 1460 to Yadkin Co.
9	Rowan	US 29	0.93	Airport Road to Guffy Road
9	Rowan	US 29	6.3	I-85 to Cabarrus CL
9	Stokes	NC 65	4.36	NC 8 to NC 311

Division	County	Route	Length	Description
10	Cabarrus	US 29	12.6	Rowan CL to Pavement Joint @ Rocky River Bridges
10	Stanly	NC 73	8.3	NCL of Albemarle to Cabarrus CL
10	Stanly	US 52	2.5	NC 49 to Cabarrus CL
10	Cabarrus	US 52	1.05	Stanly CL to Rowan CL
			24.45	
Division	County	Route	Length	Description
11	Caldwell	US 321	10.43	Burke CL to Bridge # 369
11	Caldwell	US 321A	2.7	US 64 to SR 1933
11	Alleghany	US 21	1.89	SCL Sparta to SR 1417
11	Wilkes	NC 18/268	0.98	SR 1001 to NC 18
			16	
Division	County	Route	Length	Description
12	Iredell	NC 901	7	NC 115 to I-77
12	Alexander	NC 16	8.9	NC 90 to Wilkes CL
12	Cleveland	US 74	4.3	NC 226 to SR 1161
			20.2	
Division	County	Route	Length	Description
13	Burke	NC 181	15	US 70 Business to a point 15mi north
13	Rutherford	US 74 Bus.	11.3	US 221 to ECL Ellenboro
13	McDowell	US 70	8.5	SR 1120 to NC 80
			34.8	
Division	County	Route	Length	Description
14	Cherokee	US 64 EBL	18.75	Tenn. State Line to MP 18.75
			18.75	
		Grand Total	426.37	

Source: NCDOT

Traffic Signal Systems

Under the Senate budget, signal system funding would be reduced from \$15 million to \$2.5 million. The projects scheduled for 2002-03 (listed below) would be cut by 83%. A budget of \$2.5 million would fund about six closed loop projects.

Division	County	W.O. #	Description
Closed Loop Systems			
1	Hertford		US 13 / NC 42
1	Hertford		Us 13 / NC 561
2	Beaufort		US 264
3	Onslow		SR 1308
3	New Hanover		US 421
4	Wilson		SR 1184
4	Wilson		SR 1186
4	Johnston		US 70 BUS.
5	Vance		SR 1162
6	Cumberland		US 401
6	Harnett		ErwinRoad / US 301
7	Rockingham		NC 14 Van Buren Drive
8	Lee		US 421
9	Davidson		Thomasville Closed Loop System
10	Mecklenburg		NC 51
10	Cabarrus		NC 136
11	Caldwell		US 321 / 64 / NC 18/90
11	Caldwell		CBD
12	Iredell		NC 150
13	Buncombe		US 70/74 Tunnell Road
Traffic Management Systems			
4	Johnston	6.312002R	I-40/I-95 Message Signs
3	New Hanover	6.252001R	DMS in Wilmington
14	Haywood	6.942002R	Fog Software Upgrade
9	Forsyth	6.622002R	Triad Regional TMC
5	Wake	6.402009R	I-440 / US 70 CCTV
14	Haywood	N/A	Surveillance for I-40 Pigeon Gorge
5	Wake	6.402010R	I-440 Surveillance
2	Craven	6.172003R	RWIS New Bern
Out of Street Detection			
1	Pasquotank	6.112001R	US 17(Hughes Blvd. At Main Street)
2	Lenoir	6.202001R	NC 11-55(King Street) at Heritage Street
3	Onslow	6.262002R	SR 1470(Western Blvd.) at NC 24
5	Wake	6.402007R	US 70 at New Rand Road
6	Cumberland	6.442002R	US 301 (Eastern Blvd) at NC 24-87-210
7	Orange	6.502002R	US 70 at Pleasant Green/Mt Herman Ch Road
8	Randolph	6.572002R	US 220 Bus at Stout Road
9	Davidson	6.602001R	Julian Avenue at SR 2060 (Holly Mill Road)
10	Stanly	6.682001R	PeeDee Road at Main Street
12	Cleveland	6.802002R	NC 18 at Dekalb Street
13	Rutherford	6.892001R	US 74 at US 221-221A (Central High Hill)
14	Jackson	6.962001R	US 23-441 at US 23 Bus/SR 1514
Statewide LED Projects			
5	Wake		Statewide LED Projects (Purchase)
Closed Loop Software			
5	Wake	6.402008R	Statewide Closed Loof Software (partial)

Source: NCDOT

Preliminary Engineering Projects

Under the Senate budget, cash management funds for preliminary engineering would be reduced from \$15 million to \$2.5 million. The chart below shows projects slated for this funding so far. Highlighted preliminary engineering projects are those for which funding has been authorized by the Board of Transportation (the budgets for these projects total roughly \$6 million). Projects not highlighted are those slated for funding in the future.

FISCAL YEAR 2002

TIP	REQUEST	COUNTY	LOCATION	DESCRIPTION	BOT APPROVAL
R-4457	DIVISION 1	DARE	US 158 AT NC 12	CONSTRUCT INTERCHANGE	JANUARY 2002
R-4458	DIVISION 1	PERQUIMANS	US 17-NC 37 AT SR 1300	CONSTRUCT INTERCHANGE	JANUARY 2002
R-4459	DIVISION 1	PERQUIMANS	US 17-NC 37 AT SR 1336 AND SR 1338	CONSTRUCT INTERCHANGE	JANUARY 2002
U-2817	DIVISION 2	PIIT	SR 1700 (EVANS ST.), US 264A TO SR 1711 IN WINTERVILLE	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-3618	DIVISION 2	LENOIR	CAREY ROAD EXTENSION, US 258 TO ROUSE ROAD IN KINSTON	CONSTRUCT NEW ROUTE	FEBRUARY 2002
U-3448	DIVISION 2	CrAVEN	SR 1278 (TRENT ROAD), US 17 TO SR 1215 IN NEW BERN	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-3810	DIVISION 3	ONSLow	SR 1406 (PINEY GREEN ROAD), NC 24 TO US 17	WIDEN TO MULTI-LANES	NOVEMBER 2001
U-4437	DIVISION 5	WAKE	NC 54 (HILLSBOROUGH STREET) AND BLUE RIDGE ROAD	GRADE SEPARATION	MAY 2002
I-4413	DIVISION 6	ROBESON	I-95 AT US 301	UPGRADE INTERCHANGE	JANUARY 2002
R-4700	DIVISION 8	SCOTLAND	VARIOUS ROUTES, US 401 IN WAGRAM TO US 74 IN LAUREL HILL	UPGRADE EXISTING FACILITY	MARCH 2002
I-3802	DIVISION 9	CABARRUS-ROWAN	I-85, NC 73 TO US 29-601 CONNECTOR	ADD ADDITIONAL LANES	FEBRUARY 2002
U-4700	DIVISION 11	CALDWELL-CATAWBA	US 321, HICKORY TO LENOIR	UPGRADE ROADWAY	MARCH 2002
I-3819	DIVISION 12	IREDELL	STATESVILLE, I-40/I-77	UPGRADE INTERCHANGE	NOVEMBER 2001
I-4700	DIVISION 13	BUNCOMBE	I-26, NC 280 TO I-40	WIDEN	MARCH 2002

FUTURE YEARS FUNDING

TIP	REQUEST	COUNTY	LOCATION	DESCRIPTION	BOT APPROVAL
R-4467	DIVISION 1	PERQUIMANS	US 17 BUSINESS-NC 37, PERQUIMANS BRIDGE TO NC 37	CONSTRUCT ROAD ON PILES	MAY 2002
U-4438	DIVISION 1	PASQUOTANK	US 158, NC 34 TO US 17 BUSINESS	CONSTRUCT ROAD ON PILES	JUNE 2002
U-3315	DIVISION 2	PIIT	STANTONSBURG ROAD-TENTH STREET CONNECTOR	CONSTRUCT NEW ROUTE	MAY 2002
U-4436	DIVISION 3	NEW HANOVER	SR 1318 (BLUE CLAY ROAD) AND WILMINGTON BYPASS	CONSTRUCT INTERCHANGE	MAY 2002
U-4434	DIVISION 3	NEW HANOVER	INDEPENDENCE BOULEVARD EXTENSION	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-4409	DIVISION 3	ONSLow	HEMLOCK DRIVE EXTENSION TO CORBIN STREET	CONSTRUCT NEW ROUTE	FEBRUARY 2002
R-2603	DIVISION 11	WILKES	NC 268, MULTI-LANES EAST OF NC 18 TO SR 1966	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-4435	DIVISION 11	CALDWELL	US 64-321, LENOIR	CONSTRUCT INTERCHANGE	FEBRUARY 2002
R-2307 B/C	DIVISION 12	IREDELL/CATAWBA	NC 150, RELOCATED NC 16 TO I-77	WIDEN TO MULTI-LANES	JUNE 2002
U-3450	DIVISION 12	CATAWBA	NEWTON-CONOVER LOOP, NC 10 WEST TO NC 16	CONSTRUCT NEW ROUTE	JUNE 2002

Source: NCDOT

Public Transportation Projects

Under the Senate budget, cash management funds for public transportation would be reduced from \$25 million to \$4 million. Funding for new starts (Charlotte/Mecklenburg and Triangle Transit Authority) would be reduced from \$14 million to \$2 million. Funding scheduled for rural capital, facilities, human service, and general public transportation (listed below and totalling \$11 million) would be reduced by 83% (to \$2 million).

Rural Capital Program (vehicles and equipment)

FY03 Trust Fund (Cash management allocation)	\$2,000,000
Alamance County Transportation Authority	\$404,303
City of Salisbury	\$20,700
Columbus County	\$68,041
Davidson County	\$162,962
Durham County	\$90,776
Gaston County	\$245,405
Guilford County	\$94,320
Jackson County	\$62,262
Richmond Interagency Transportation, Inc.	\$65,626
Rockingham County Council on Aging, Inc.	\$180,748
Wake County	\$307,224
Western Carolina Community Action, Inc.	\$73,200
Total	\$1,775,567

Facility Program

FY03 Trust Fund (Cash management allocation)	\$2,400,000
(type of facility construction or renovation and amount to be determined)	

Anson County	
Avery County	
Buncombe County	
Caldwell County Area Transit System, Inc.	
Chatham Transit Network	
Clay County	
Gates County	
Harnett County	
Hyde Nonprofit Private Transportation Corp., Inc.	
Mountain Projects, Inc.	
Onslow United Transit System, Inc.	
Rutherford County	
Western Carolina Community Action, Inc.	

Human Service Transportation Management Program	
FY03 Trust Fund (Cash management allocation)	\$2,000,000
Alamance County	\$208,788
Buncombe County	\$215,232
Cabarrus County	\$89,117
Catawba County	\$108,118
City of Rocky Mount	\$153,977
Cumberland County	\$39,446
Durham County	\$74,489
Gaston County	\$132,304
Goldsboro-Wayne Transportation Authority	\$141,002
Guilford County	\$166,739
Mecklenburg County	\$131,109
New Hanover County	\$129,930
Onslow County	\$92,326
Orange County	\$139,629
Wake County	\$151,192
Total	\$1,973,398
Rural General Public Program	
FY03 Trust Fund (Cash management allocation)	\$1,600,000
Alamance County	\$56,156
Buncombe County	\$95,510
Caldwell County	\$60,000
Carteret County	\$22,150
Catawba County	\$18,000
City of Rocky Mount	\$55,929
Clay County	\$15,000
Columbus County	\$37,404
Choanoke Public Transportation Authority	\$122,442
Davidson County	\$20,000
Duplin County	\$15,000
Gates County	\$45,000
Graham County	\$15,000
Guilford County	\$80,000
Haywood County	\$88,000
Henderson County	\$106,238
Hoke County	\$33,503
Intercounty Public Transportation Authority	\$90,000
Iredell County	\$80,500
Jackson County	\$15,000
Johnston County	\$46,836
Macon County	\$10,125
Martin County	\$47,622

Mitchell County	\$3,006
(Rural General Public continued)	
New Hanover County	\$39,936
Onslow County	\$50,000
Orange County	\$116,184
Robeson County	\$50,000
Rockingham County	\$26,296
Rowan County	\$28,550
Rutherford County	\$23,027
Watauga County	\$10,544
Wilson County	\$25,000
Total	\$1,547,958
Urban and Regional Program	
FY03 Trust Fund (Cash management allocation)	\$3,000,000
AppalCART (Boone)	\$45,044
Asheville	\$95,258
Chapel Hill	\$235,326
Charlotte	\$1,090,512
Durham	\$294,820
Fayetteville	\$86,625
Gastonia	\$44,719
Goldsboro	\$15,789
Greensboro	\$121,595
Greenville	\$27,375
Hickory	\$25,593
High Point	\$80,733
Raleigh	\$257,859
Rocky Mount	\$33,180
Salisbury	\$25,822
Triangle Transit Authority	\$174,943
Wilmington	\$103,103
Wilson	\$28,737
Winston-Salem	\$212,967
Total	\$3,000,000
Source: NCDOT	

Funding Needs and Availability for New Start Public Transportation Projects

State Match Needs for New Start Projects - By Year of Obligation

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Totals
TTA Rail - Phase 1	\$ 31.3	71.6	25.2	11.9	11.9	0.0	0.0	0.0	0.0	0.0	\$ 151.9
TTA Rail - Phase 2	\$ -	1.4	2.1	19.9	6.5	24.4	46.0	52.3	74.8	50.0	\$ 277.4
Charlotte Corridors	\$ 33.0	45.4	33.5	23.6	20.9	20.8	27.9	13.4	18.2	33.8	\$ 270.5
New Start Totals	\$ 64.3	118.4	60.8	55.4	39.3	45.2	73.9	65.7	93.0	83.8	\$ 699.8

New Start Funds Available

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Totals
Continuation	\$ 23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	\$ 234.0
Expansion	\$ 2.0	-	-	-	-	-	-	-	-	-	\$ 2.0
Cash Flow	\$ 14.0	63.0	-	-	-	-	-	-	-	-	\$ 77.0
Unobligated (prev. yrs.)	\$ 32.4	-	-	-	-	-	-	-	-	-	\$ 32.4
Total	\$ 71.8	86.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	\$ 345.4

TTA Phase 1 is the rail project from North Raleigh to the Duke Medical Center.

TTA Phase 2 includes the extension to Phase 1 in northeast Raleigh, the 15/501 corridor between Chapel and Durham, the connection to the airport and the NC54/I40 corridor. Note that the 15/501, airport connection and NC54/I40 corridors are not officially recognized by the federal government yet on its list of New Start projects and costs are very rough estimates.

Charlotte's total includes work in all five corridors. The total includes the estimated costs to complete the South, North, and a third corridor, plus it includes most of the cost for a fourth corridor and part of the cost of a fifth corridor. Note that only the South and North corridors are currently officially recognized by the federal government in its list of New Start projects.

Total funds available to match new start projects in 2003 is \$69,813,308. This includes \$32,406,654 (including \$9,000,000 from cash management) from unobligated 2002 funds and \$37,406,654 (including \$14,000,000 from cash management) from unobligated 2003 funds.

Based on the most current information available, there are sufficient state funds available to meet new start project needs in 2003. Furthermore, at the end of 2003, there will be \$5,514,308 (\$69,813,308 - \$64,300,000) in new start funds available for obligation in 2004.

Source: NCDOT

**IMPACT ON TIP OF PROPOSED \$ 205 M ADDITIONAL
TRANSFER FROM HIGHWAY TRUST FUND**

A \$ 205 million transfer would affect the four programs in the following ways:

- \$ 121.28 M decrease in Intrastate funding availability,
- \$ 49.04 M decrease in Urban Loop funding availability,
- \$ 12.73 M decrease in Urban aid (Powell Bill) supplement funds, and
- \$ 12.72 M decrease in Secondary Road paving funds.

These decreases in budget authority for state fiscal 2002-03 would result in the delay of several projects in all of these categories. The Powell Bill and Secondary Road decreases will lower the amounts assigned to Counties and Municipalities based on the existing allocation formulas. The decreases in Intrastate and Urban Loop funding availability will cause an approximate one-year delay in projects scheduled for the upcoming fiscal year. Due to outstanding obligations for projects previously let and cash flowed, virtually all new Intrastate project starts will be delayed.

While the decision on which specific projects would be delayed is subject to action by the Board of Transportation, a set of candidate projects is listed below:

Intrastate Projects

R-2548 US 64 in Tyrrell and Washington Counties. A, E, and G parts construction delayed.	\$ 28 M
R-1015 US 70, the Havelock Bypass. A part ROW delayed.	\$ 2.1 M
R-2405 US 17 connector to I-40. A part construction delayed.	\$ 12.2 M
U-2107 US 17, the Jacksonville Bypass. D part construction delayed.	\$ 7.5 M
R-2552 US 70, the Clayton Bypass. AB and C parts ROW delayed.	\$ 6.5 M

X-2 US 13 extension in Cumberland County. C part ROW delayed.	\$ 5 M
R-2417 US 421/NC 87, the Sanford Bypass. AB part construction delayed.	\$ 11.6 M
R-967 NC 24/27 in Stanley County. CC part ROW delayed.	\$ 14.4 M
R-2559 US 74, the Monroe Bypass. B and C parts construction delayed.	\$ 26.3 M
R-2237 US 321 in Caldwell County. B part ROW delayed.	\$ 2.4 M

Urban Loop Projects

U-2524 Greensboro Western Loop. AC part construction delayed.	\$ 13.8 M
R-2248 Charlotte Western Loop. D part construction delayed.	\$ 33.4 M

This is dependent on how the transfer is directed. If our budget authority is decreased, we will have to make the TIP adjustments listed above or some slight variation, as our options are very limited. This approach hits both our TIP budget and our cash balances. If the transfer were directed to come from the cash balances, then the impact would be limited to the availability of cash to do federal-aid advance construction and cash flow additional projects. This approach however, will have a significant impact on our proposed maintenance activities for the upcoming year. In order to best manage and minimize the impact of any Trust Fund transfer on our construction and maintenance activities, the Secretary should be given the authority to balance the budget impacts between the TIP and maintenance areas.

Source: NCDOT

1-Year Impact of Senate's Transfer Actions

In FY 2002-03, the transfers proposed by the Senate would result in a 26% reduction in the budget of the Highway Trust Fund.

Trust Fund Budget FY 2002-03: (Net of statutory transfer of \$172 million)	\$802,430,000
Additional Nonrecurring Transfer (1-Year):	-125,000,000
Additional Recurring Transfer:	<u>-80,000,000</u>
	\$597,430,000 (-26%)

6-Year Impact of Senate's Transfer Assuming \$80 Million Transfer Sunsets

Over a 6-year period, the total transfers proposed by the Senate would result in a reduction of roughly 3% in the Highway Trust Fund budget, assuming the additional \$80 million transfer sunsets after FY 2004, and assuming the nonrecurring \$125 million transfer would be paid back.

Trust Fund Budget (FY 2003-FY 2008): (Net of statutory transfers of \$172 million)	\$5,507,000,000
Additional Recurring Transfers: (\$80 million/year for 2 years)	<u>- 160,000,000</u>
	\$5,347,000,000 (-3%)

6-Year Impact of Senate's Transfer Assuming \$80 Million Transfer is Continued Indefinitely

Over a 6-year period, the total transfers proposed by the Senate would result in a reduction of roughly 9% in the Highway Trust Fund budget, assuming the additional \$80 million transfer did not sunset, and assuming the nonrecurring \$125 million transfer would be paid back (If the \$125 million were not paid back, the total cut would be \$605 million, a reduction of 11%).

Trust Fund Budget (FY 2003-FY 2008): (net of statutory transfers of \$172 million)	\$5,507,000,000
Additional Recurring Transfers: (\$80 million/year over 6 years)	<u>- 480,000,000</u>
	\$5,027,000,000 (-9%)

Long Term Impact of Senate's Transfer With and Without Bonds
Assuming \$80 Million Transfer is Continued Indefinitely

Between FY 2003 and FY 2020, the transfers proposed by the Senate would require \$1.4 billion from the Highway Trust Fund, assuming the additional \$80 million transfer did not sunset. If \$700 million in bonds are issued, the big hits to the Highway Trust Fund will be pushed back beyond FY 2008, but the total long-term impact will be greater, as the bonds are paid back with interest.

Additional Transfer to General Fund (2003-2020): \$1,440,000,000

Impact to Highway Trust Fund

	Without Bond Financing	With \$700 Million in Bond Financing*
FY 2002 – FY 2008:	-\$480,000,000	-\$20,000,000
FY 2009 – FY 2020:	-\$960,000,000	-\$1,760,000,000
Total:	-\$1,440,000,000	-\$1,780,000,000

* Under this scenario, \$200 million in bonds would be sold in FY 2003, \$250 million in FY 2005 and \$250 million in FY 2007.

June 18, 2002

Transfer Highway Trust Fund Money to the General Fund

Will the G.F. pay back the H.T.F.?

Yes

Small to no impact on DOT, depending on terms. Might have to slide projects, might have to sell bonds

No

Sell Bonds

Cut SB 1005 Cash Management Program (up to \$460 million over 2 years from maintenance and transit)

Cut TIP and other H.T.F. projects (secondary roads and Powell Bill)

How Much?

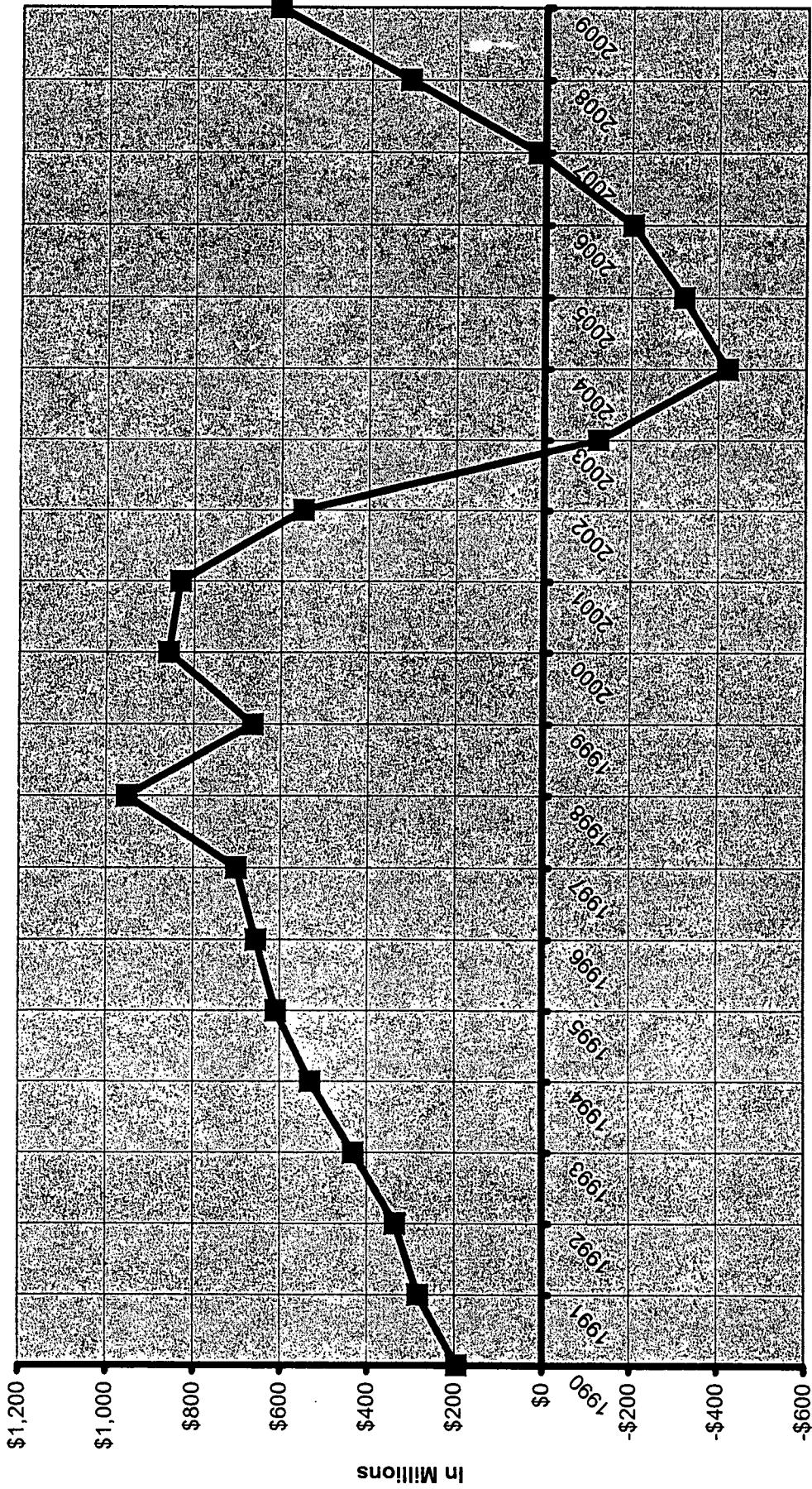
\$250 Million over 16 years

\$700 Million over 17 years

- \$128 million in interest
- First year P&I = \$31 million
- Options: Cut H.T.F. projects or Cash Management projects?

- Roughly \$400 million in interest
- First year P&I = \$76 million
- Options: Cut H.T.F. projects or Cash Management projects?

Actual and Projected Highway Trust Fund Cash Balance at June 30
 1989-90 through 2008-09 (Senate Proposal)



Fiscal Year Ends

Source: NCDOT

Transportation Needs

DOT recently completed a preliminary estimate of funded and unfunded transportation needs for the next twelve years.

Highways	\$30.4 Billion
Capacity Expansion (from TIP)	\$21.7 B
Modernization (from TIP)	\$3.7 B
Preservation (unmet maintenance needs)	\$5.0 B

Multi-Modal \$5 Billion

Estimate based on fixed guideway transit, rail, and transit operating assistance needs.

TOTAL 12 YEAR NEEDS \$35.4 Billion

Less Anticipated Funding (12 year estimates) \$23 Billion

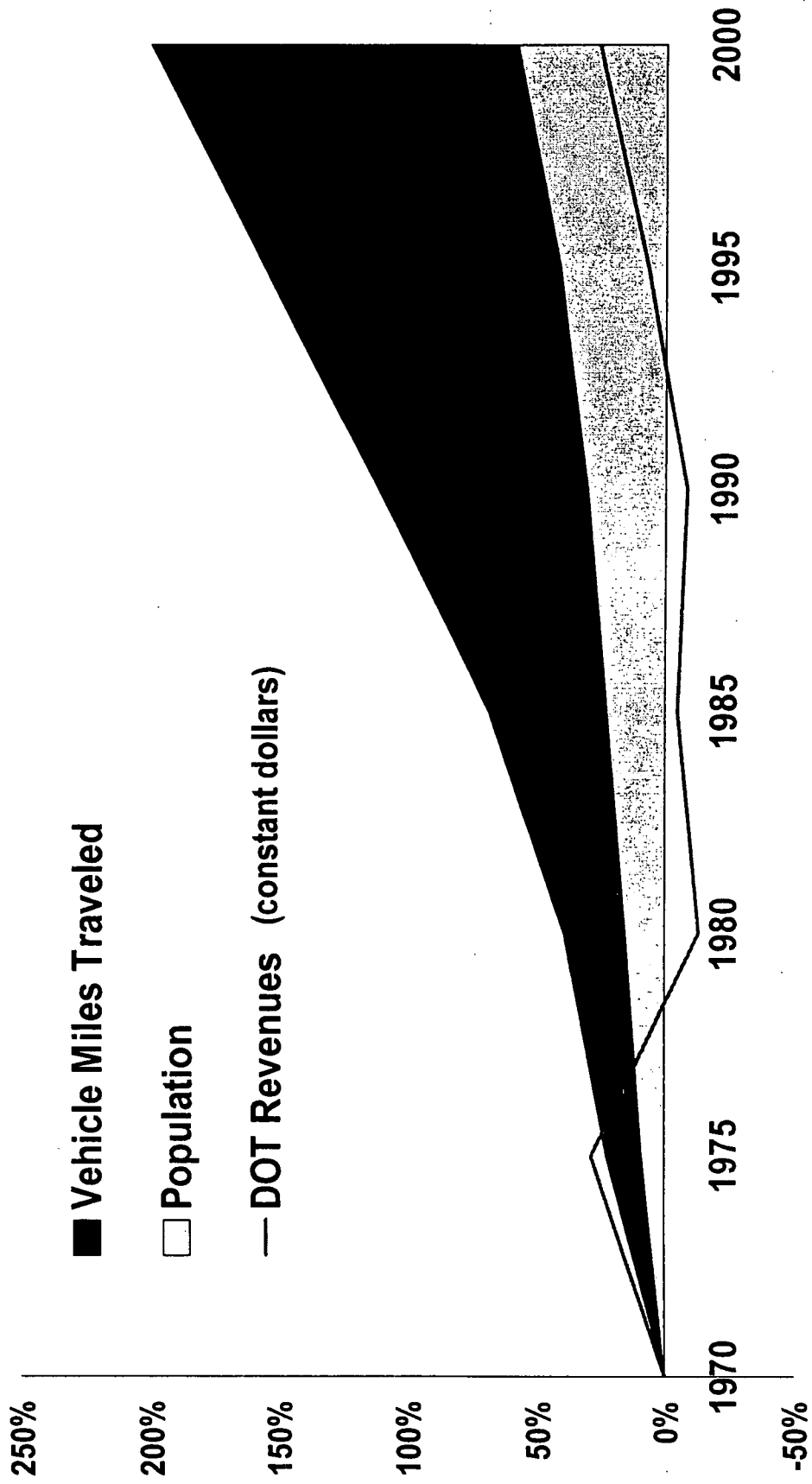
\$9.8 B Highway Trust Fund
\$9.4 B Federal-aid
\$3.8 B Highway Fund and Federal-aid

TOTAL 12 YEAR UNMET NEEDS \$12.4 Billion

- In the past ten years
 - Paved lane miles are up by 17%
 - Vehicle miles traveled are up by 43%
 - Transportation funding (inflation adjusted) is up by 33%
 - General Fund (inflation adjusted) is up by 42%
- The additional \$153 million for maintenance this year from the cash flow provision still leaves maintenance funding about \$50 million short of the amount needed to maintain the State's 78,000 mile road system at an acceptable level.

5

Some Trends Affecting North Carolina Transportation



Positions and Vacancies

Positions are not a rich source of savings:

- DOT budget is a capital budget – of \$3.1 billion budget, \$2.7 billion (87%) is for construction, maintenance and transfers.
- Only \$237 million of budget is for non-capital, ongoing programs:

DMV	\$112 million
Div. of Highways	\$50 million
<u>Administration</u>	<u>\$25 million</u>
	\$237 million
- The position count at DOT has increased about 11% in the last decade (from 11,409 to 12,684). General Fund positions (including teachers) have grown about 30%.
- DMV positions have dropped by 10% over the past ten years, from 1972 in FY91-92 to 1784 this year. Computerization has allowed the work force to be cut while the number of transactions has grown (vehicles registered have grown by 31% and issuances by the Driver License Section by 32%) and responsibilities have been added.
- Of \$2.3 billion in construction and maintenance costs in FY2001 at DOT, labor costs represent a relatively small portion – about 18%, including Highway Administration. For perspective, of the \$6 billion DPI budget, personnel costs represent 95% of the total. Of the \$14.5 billion General Fund budget, personnel costs represent over 60% of the budget.
- Of the \$600 million DOT spends on personnel, \$453 million (about 75%) goes to positions funded through work orders for these capital projects rather than through departmental line items.
 - Eliminating a position funded by projects (TIP, maintenance, etc.) does not reduce the cost of completing projects. Rather, it reduces the number of positions available to do funded project work – funds will go to other positions or outside consultants, or projects will be delayed.
 - In General Fund, the number of positions drives funding. In Highway Fund and Highway Trust Fund, funding drives positions.
- Although DOT currently has 1519 vacant positions, 1203 of these vacant positions are funded by project work orders, and only 316 are administrative.

May 20, 2002

Charlotte Multi-Modal Station

Functions of the Project

The Charlotte multi-modal station project will incorporate intercity passenger rail service, local and regional bus and rail service, intercity bus service, as well as rental cars, and pedestrian and bicycle traffic. According to DOT, the most immediate needs the train station will meet are:

- as a terminus for the North Mecklenburg Transit Corridor project (regional rail)
- as an expanded city bus station
- replacing the substandard inter-city train station

DOT Short-Term Funding Needs

Property Acquisition:	\$3,184,475
Preliminary Engineering and Environmental Assessment:	<u>\$4,875,000</u>
Total	\$8,059,475

- According to DOT, the funds for preliminary engineering and environmental work are needed to move the project forward as quickly as possible. DOT believes that delaying these funds may delay construction of the train station.
- Funds for property acquisition are wanted by DOT to avoid future escalations in property prices and to ensure that the property that is needed is procured as quickly as possible.
- DOT believes that both land acquisition and preliminary engineering may help the State secure federal funds for the multi-modal station, assuming Congress makes them available.

Potential Impacts of Funding Delays

- -According to Ron Tober, the Chief Executive Officer of the Charlotte Area Transit System, delaying funding for the station should have no impact on the North Mecklenburg Transit Corridor project. This transit project will be delayed anyway.
- Delaying funding for the station may affect city bus service:
 - Charlotte bus service is expanding dramatically has already outgrown its station. According to Tober, Charlotte needs the new multi-modal station for its expanded bus service by 2006.
 - If Congress provides funds for the station this year, it could be completed by 2006. However, if Congress fails to act, the multi-modal station project will be delayed, regardless of whether the State provides funding this year or delays funding.

Highway Fund Budget for 2002-03

	<u>Certified Budget</u>	<u>Governor's Recommendations</u>	<u>Senate Budget</u>	<u>Draft House Budget</u>
<u>Revenue and Availability</u>				
Revenue Estimate	1,311,720,000	1,276,600,000	1,276,600,000	1,276,600,000
Credit Balance	-	41,300,000	41,300,000	41,300,000
Transfer to General Fund	-	(30,000,000)	-	-
Total Funds Available	1,311,720,000	1,287,900,000	1,317,900,000	1,317,900,000
<u>Total Appropriations</u>				
Administration	69,195,895	69,195,895	68,833,663	69,195,895
Operations	28,801,650	28,801,650	28,801,650	28,801,650
Construction and Maintenance				
a. Construction				
(01) Primary Construction	-	-	-	-
(02) Secondary Construction	89,387,000	89,387,000	87,500,000	87,500,000
(03) Urban Construction	14,000,000	14,000,000	14,000,000	14,000,000
(04) Access and Public Service Roads	2,000,000	2,000,000	2,000,000	2,000,000
(05) Contingency Construction	10,000,000	10,000,000	15,000,000	15,000,000
(06) Spot Safety Construction	9,100,000	9,100,000	9,100,000	9,100,000
b. State Funds to Match Federal aid	5,212,266	5,212,266	5,212,266	5,212,266
c. State Maintenance	571,609,292	571,609,292	589,432,703	589,251,587
d. Ferry Operations	19,747,132	19,747,132	19,747,132	19,747,132
e. Capital Improvements	-	-	-	-
f. State Aid to Municipalities	89,387,000	89,387,000	87,500,000	87,500,000
g. Aid - Public Transportation and Railroads	75,035,834	75,035,834	92,385,834	92,204,718
h. OSHA	425,000	425,000	425,000	425,000
Governor's Highway Safety Program	266,693	266,693	266,693	266,693
Division of Motor Vehicles	98,649,802	98,649,802	98,649,802	98,649,802
Transfer to Highway Patrol	133,098,294	133,098,294	133,098,294	133,098,294
Transfer for Driver Education	29,219,551	29,219,551	29,455,660	29,455,660
Transfer for Sales Tax to G.F.	15,360,000	15,360,000	15,360,000	15,360,000
Other Reserves and Transfers	27,406,963	27,406,963	21,131,303	21,131,303
Grand Total/Highway Fund	\$ 1,287,902,372	\$ 1,287,902,372	\$ 1,317,900,000	\$ 1,317,900,000

22-Jul-02

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)
Sent: Tuesday, July 23, 2002 5:04 PM
Subject: CORRECTED MEETING NOTICE

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

**CORRECTED NOTICE
TIME CHANGED TO 9:00 A.M.**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Wednesday, July 24, 2002

TIME: 9:00 a.m.

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **3:00 p.m.** on **July 23, 2002.**

____ Principal Clerk
____ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

JULY 24, 2002

9:00 A.M.

Room 1228 LB

The House Appropriations Subcommittee on Transportation met on July 24, 2002 at 9:00 a.m. in room 1228 of the Legislative Building. Representative Jim Crawford called the meeting to order and presided. He recognized the Pages that were present. A visitor registration sheet is attached and made part of these minutes. The following members were present:

Rep. Jim Crawford
Rep. Nelson Cole
Rep. Joni Bowie
Rep. Bobby Barbee
Rep. Lorene Coates

Rep. Don Davis
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Representative Crawford opened the meeting explaining that the intent of the meeting was to make amendments of the Senate special provisions for the Transportation/Appropriations Budget. These are found in handout #1, House Committee on Appropriations Subcommittee on Transportation Budget Briefing, beginning on page eight, line item 26, Part XXVI, Department of Transportation. Representative Joni Bowie opened discussion for line item #29, CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS, and moved that there be a schedule for the pay back of the Highway Trust Fund based on the "sum of the digits" formula over a five year period starting July 1, 2005 and ending July 1, 2009. The pay back percentages over the five year period will be 7% for the first year, 13% second year, 20% third year, 27% fourth year, and 33% for the fifth year. Discussion followed. The motion was seconded and passed.

Line item #46, page eight, HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED, was then taken up. Representative Sutton moved that a special provision be prepared that would create a Commission for Contract Agent Study. Discussion followed. The motion was seconded and passed.

Line item #38, page nine, BILTMORE AVENUE AIRSPACE ENCROACHMENT, was taken up next. Discussion followed and the motion was made to leave this special provision that the Senate has approved in the House budget as written.

Line item #48, page nine, will be taken up at a later time.

Bob Weiss, staff, then presented line item # 9, page ten, DIVISION OF MOTOR VEHICLES PRINTING EFFICIENCY. Discussion followed and Carol Howard, DMV Commissioner stated that DMV is in a five year contract with Xerox and they are about half way into the contract and feels like it is not the time to project the outcome of their efficiency. It is

Appropriations Subcommittee on Transportation
July 24, 2002
Page 2

the recommendation of the Co-chairs of the Transportation/Appropriations Subcommittee to take this Senate special provision out of the House budget. The motion was seconded and passed.

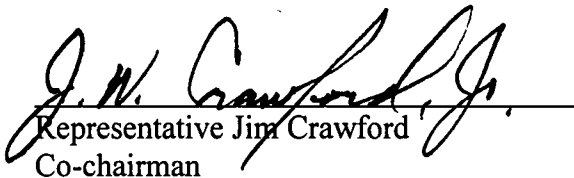
Line item #15, page 10, DMV DRIVERS LICENSE EXAMINER DRESS CODE, was then presented. Discussion followed. It was the recommendation of the Co-chairs of the Transportation/Appropriations Subcommittee to take this Senate special provision out of the House budget. The motion was seconded and passed.

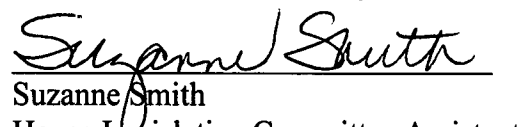
Line item #23, page 10, DIVISION OF MOTOR VEHICLES TO IMPLEMENT MULTIYEAR REGISTRATIONS AND TEN-YEAR DRIVERS LICENSES, was taken up next. Discussion followed. It was the recommendation of the Co-chairs of the Transportation/Appropriations Subcommittee to take this Senate special provision out of the House budget. The motion was seconded and passed.

Representative Crawford announced that the next meeting will be on Thursday, July 25, 2002 at 9:00 a.m.

There being no further business the meeting was adjourned at 9:45 a.m.

Respectfully submitted:


Representative Jim Crawford
Co-chairman


Suzanne Smith
House Legislative Committee Assistant

House Committee on Appropriations

Subcommittee on Transportation

Budget Briefing

July 23, 2002

Contents

	<u>Page</u>
Highway Fund Budget Adjustments and Expansion for 2002-2003	3
Comparison Report – Transportation – General Fund	4
Comparison Report – Highway Fund	5
Senate Special Provisions	8
Global TransPark	11
Highway Trust Fund Comparison Report	14
Impacts of Highway Trust Fund Transfers	15
<u>Appendices</u>	
Highway Trust Fund Administration	18
Detailed Impacts of Senate Transfers	21
Short and Medium Term Impacts of Senate Transfers	33
Long Term Impacts of Senate Transfers (Bonds)	34
Transfer from Highway Trust Fund to General Fund – Decision Tree	35
Highway Trust Fund Cash Balance Projections	36
Transportation Needs	37
Why Positions Are Not a Rich Source of Savings	39
Charlotte Multi-Modal Station	40
Highway Fund Certified Budget and Comparisons	41

Highway Fund Budget Adjustments and Expansion for 2002-03

	<u>Governor</u>	<u>Senate</u>	<u>House</u>
1 Availability			
2 Revenue Estimate	1,276,600,000	1,276,600,000	1,276,600,000
3 Credit Balance	41,300,000 NR	41,300,000 NR	41,300,000 NR
4 Transfer to General Fund	<u>(30,000,000) NR</u>	<u>-</u>	<u>-</u>
5 Total	1,287,900,000	1,317,900,000	1,317,900,000
6			
7 Certified Budget	<u>1,287,902,372</u>	<u>1,287,902,372</u>	<u>1,287,902,372</u>
8 Funds Available	(2,372)	29,997,628	29,997,628
9			
10			
11 Statutory Budget Adjustments and Other Reductions			
12 Powell Bill		(1,887,000)	(1,887,000)
13 Secondary Roads		(1,887,000)	(1,887,000)
14 Retirement Rate Adjustment		(7,257,000)	(7,257,000)
15 Management Information Services Fees		<u>(362,232) NR</u>	
16 Global Transpark Reduction		<u>(618,660)</u>	<u>(618,660)</u>
17 Subtotal		<u>(12,011,892)</u>	<u>(11,649,660)</u>
18			
19 Total Funds Available for Expansion		42,009,520	41,647,288
20			
21			
22 Expansion			
23 Maintenance - Restore NR Funds		7,022,971 NR	7,022,971 NR
24 Maintenance - Expansion		5,400,220 NR	5,309,662 NR
25 Contract Resurfacing - Expansion		5,400,220 NR	5,309,662 NR
26 R-O-W for Charlotte Train Station		8,100,000 NR	7,918,884 NR
27 Track Improvements, Raleigh to Charlotte- Restore NR Funds		5,000,000 NR	5,000,000 NR
28 Public Transportation - Special Reserve Fund		2,000,000 NR	2,000,000 NR
29 Public Transportation - Urban and Rural		2,250,000 NR	2,250,000 NR
30 Small Urban and Rural Discretionary - Restore NR Funds		5,000,000 NR	5,000,000 NR
31 Global Transpark Nonrecurring Appropriation		1,600,000 NR	1,600,000 NR
32 Driver Education ADM Requirements		<u>236,109</u>	<u>236,109</u>
33 Subtotal		<u>42,009,520</u>	<u>41,647,288</u>
34			
35 Balance			
45			
46			
47			
48			
49			
	General Fund Budget for 2002-03		
50 Reduction in Aviation Grants	(1,347,500) NR	(1,347,500) NR	(1,347,500) NR
51 Eliminate General Fund Support for Global TransPark	<u>(125,992)</u>	<u>(1,143,341)</u>	<u>(1,143,341)</u>
52 Total Reduction	(1,473,492)	(2,490,841)	(2,490,841)

22-Jul-02

House/Senate Comparison Report

Transportation *General Fund*

House
FY 02-03

Senate
FY 02-03

Governor

(1200) Airport Grants

1 Aviation Grant Reduction

Implements reduction recommended by Governor. This reduces the budget for aviation grants by 11% from \$12,250,000 to \$10,902,500.

(\$1,347,500) NR (\$1,347,500) NR *(\$1,347,500)*

(1400) Global TransPark Authority

2 Eliminate Operating Funds for Global TransPark

Eliminates operating funds for the Global TransPark Authority provided by the General Fund.

(\$576,982) (\$576,982) *(\$125,992)*

(1500) Global TransPark Authority

3 Eliminate Runway Funds for Global TransPark

Eliminates runway development funds for the Global TransPark Authority provided by the General Fund.

(\$566,359) (\$566,359)

Department Totals

(\$1,143,341) (\$1,143,341)

(\$1,347,500) NR (\$1,347,500) NR

House/Senate Comparison Report

Transportation *Highway Fund*

House
FY 02-03

Senate
FY 02-03

(Governor made no recommendations on Highway Fund spending)

(0220) Management Information Systems

1 Reduce Professional Fees for Printing Services

Reduce professional fees for printing services at DMV.

(\$362,232) NR

(5120) Secondary Roads Construction

2 Technical Adjustment to Secondary Roads Allocation

(\$1,887,000)

(\$1,887,000)

The allocation to secondary roads is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for the secondary roads allocation accordingly. This reduces the secondary road budget by 2% from \$89,387,000 to \$87,500,000.

(5180) Construction - Contingency

3 Restores Nonrecurring Funds

In FY 2002, funds budgeted for small urban and rural projects totaled \$15.0 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for small urban and rural construction would decrease to \$10.0 million. With this action, the budget will be restored to \$15.0 million

\$5,000,000 NR

\$5,000,000 NR

(5240) Maintenance - Contract Resurfacing

4 Increase Contract Resurfacing Funds

Increases contract resurfacing funding over funding from previous years.

\$5,309,662 NR

\$5,400,220 NR

Transportation

House
FY 02-03

Senate
FY 02-03

(30) Global TransPark Authority

10	Adjust Operating Funds for Global TransPark	(\$618,660)		(\$618,660)	
	Eliminates recurring operating funds of \$618,660 for the Global TransPark Authority. Provides non-recurring operating funds of \$1,600,000 for FY2003.	\$1,600,000	NR	\$1,600,000	NR

(6611) Retirement Rate Adjustment

11	TSERS Retirement Rate Adjustment	(\$7,257,000)		(\$7,257,000)	
	Reduces the State's contribution rate from 1.97% to zero for members of the Teachers' and State Employees' Retirement System as a result of actuarial gains for valuation ending 12-31-00.				

(6828) Reserve for Maintenance

12	Restores Nonrecurring Funds				
	In FY 2002, the budget for maintenance was \$578,632,263. However, this total included \$7,022,971 in nonrecurring funds. In the absence of any action by the General Assembly, the FY 2003 maintenance budget would therefore decrease to \$571,609,292. With this budgetary action, the budget for maintenance will instead be fully restored.	\$7,022,971	NR	\$7,022,971	NR

13	Increase Maintenance Expenditures				
	Increases maintenance funding over funding from previous years.	\$5,309,662	NR	\$5,400,220	NR

(6837) Reserve for Public Transportation

14	Creates Special Reserve for Public Transportation				
		\$2,000,000	NR	\$2,000,000	NR
	Department Totals	(\$11,413,551)		(\$11,413,551)	
		\$41,411,179	NR	\$41,411,179	NR

1
2 **PART XXV. OFFICE OF THE STATE CONTROLLER**
3

4 Requested by: Senators Warren, Harris, Plyler, Odom, Lee

5 **OVERPAYMENTS AUDIT**

6 **SECTION 25.1.(a)** During the 2002-2003 fiscal year, receipts generated by
7 the collection of inadvertent overpayments by State agencies to vendors as a result of
8 pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed
9 refunds, erroneously paid excise taxes, and related errors as required by
10 G.S.147-86.22(c) are to be deposited in the Special Reserve Account 24172.

11 **SECTION 25.1.(b)** For the 2002-2003 fiscal year, two hundred thousand
12 dollars (\$200,000) of the funds transferred from the Special Reserve Account 24172
13 shall be used by the Office of the State Controller for data processing, debt collection,
14 or other information technology initiatives.

15 **SECTION 25.1.(c)** All funds available in the Special Reserve Account
16 24172 on July 1, 2002, are transferred to the General Fund on that date.

17 **SECTION 25.1.(d)** Any unobligated funds in the Special Reserve Account
18 24172 that are realized above the allowance in subsection (b) of this section are subject
19 to appropriation by the General Assembly in the 2003 Regular Session of the General
20 Assembly.

21 **SECTION 25.1.(e)** The State Controller shall report quarterly to the Joint
22 Legislative Commission on Governmental Operations and the Fiscal Research Division
23 on the revenue deposited into the Special Reserve Account and the disbursement of that
24 revenue.
25

26 **PART XXVI. DEPARTMENT OF TRANSPORTATION**
27

28 Requested by: Senators Gulley, Plyler, Odom, Lee

29 **CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
30 **APPROPRIATIONS**

31 **SECTION 26.1.** Section 27.4(a) of S.L. 2001-424 reads as rewritten:

32 **"SECTION 27.4.(a)** The General Assembly authorizes and certifies anticipated
33 revenues of the Highway Fund as follows:

34	FY 2003-2004	\$1,334.6 million	<u>\$1,328.9 million</u>
35	FY 2004-2005	\$1,369.8 million	<u>\$1,374.0 million</u>
36	FY 2005-2006	\$1,406.1 million	<u>\$1,422.4 million</u>
37	FY 2006-2007	\$1,445.5 million	<u>\$1,472.6 million</u>

38 The General Assembly authorizes and certifies anticipated revenues of the Highway
39 Trust Fund as follows:

40	FY 2003-2004	\$1,127.6 million	<u>\$1,019.4 million</u>
41	FY 2004-2005	\$1,176.5 million	<u>\$1,058.5 million</u>
42	FY 2005-2006	\$1,226.8 million	<u>\$1,110.2 million</u>
43	FY 2006-2007	\$1,278.4 million	<u>\$1,162.5 million</u>

44
45 Requested by: Senators Gulley, Garrou, Plyler, Odom, Lee

46 **HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED**

47 **SECTION 26.2.(a)** Section 27.6(b) of S.L. 2001-424 reads as rewritten:

48 **"SECTION 27.6. (b)** Membership. – The Study Committee shall be composed of
49 ~~16~~18 members as follows:

- 50 (1) The Chairs of the Joint Legislative Transportation Oversight
51 Committee.
52 (2) Four Representatives and ~~three~~four public members appointed by the
53 Speaker of the House of Representatives.
54 (3) Four Senators and ~~three~~four public members appointed by the
55 President Pro Tempore of the Senate.

1 The appointing authorities shall make their appointments to reflect the urban-rural
2 diversity of the population of the State."

3 SECTION 26.2.(b) Section 27.6(c) of S.L. 2001-424 reads as rewritten:

4 "SECTION 27.6.(c) Duties of the Study Committee. – The Committee may study
5 all aspects of the Highway Trust Fund. The study shall include the examination of all
6 the following:

7 (1) The current status, cost estimates, and feasibility of Highway Trust
8 Fund projects currently listed in Article 14 of Chapter 136 of the
9 General Statutes.

10 (2) Unanticipated problems with the structure of the Highway Trust Fund.

11 (3) The gap between transportation funding structures and the actual
12 transportation needs of the State.

13 (4) Allocation issues raised by the structure of the transportation funding
14 equity distribution formula in G.S. 136-17.2A.

15 (5) The feasibility of altering the project eligibility requirements of the
16 Highway Trust Fund, including permitting the Department of
17 Transportation to add projects as long as adding those projects does
18 not delay projects already to be funded by the Highway Trust Fund,
19 projects scheduled under the 2002-2008 Transportation Improvement
20 Program, and does not impair the cash-flow provisions of G.S.
21 136-176(a1).

22 (6) The feasibility of altering the funding allocation structure of the
23 Highway Trust Fund, including the possible use of the Highway
24 Trust Fund to provide the State match for available federal aid
25 highway funds as long as using the funds in this manner does not delay
26 projects already funded by the Highway Trust Fund, projects
27 scheduled under the 2002-2008 Transportation Improvement Program,
28 and does not impair the cash-flow provisions of G.S. 136-176(a1).

29 (7) Any other issue related to the Highway Trust Fund or transportation
30 funding."

31 SECTION 26.2.(c) Section 27.6(k) of S.L. 2001-424 reads as rewritten:

32 "SECTION 27.6.(k) Report. – The report of the study shall be made to the Joint
33 Legislative Transportation Oversight Committee no later than April 1, 2002, the first
34 day of the 2003 Session of the General Assembly. Upon the filing of its final report, the
35 Study Committee shall terminate."
36

37 Requested by: Senators Gulley, Metcalf, Carter, Plyler, Odom, Lee
38 **BILTMORE AVENUE AIRSPACE ENCROACHMENT**

39 SECTION 26.3. The Department of Transportation shall permit private use
40 of and encroachment upon the airspace above Biltmore Avenue located inside the
41 corporate limits of the City of Asheville for the purpose of construction and
42 maintenance of a pedestrian bridge to connect the campuses of Mission St. Joseph's
43 Health System unless, in the opinion of the Department, the bridge will unreasonably
44 interfere with and impair the property rights and easement of abutting owner or
45 unreasonably interfere with or obstruct the public use of Biltmore Avenue.
46

47 Requested by: Senators Gulley, Plyler, Odom, Lee
48 **PROPORTIONAL REDUCTION OF USE OF HIGHWAY TRUST FUND CASH**
49 **BALANCES**

50 SECTION 26.4. G.S. 136-176(a2) reads as rewritten:

51 "(a2) The Department shall certify to the Joint Legislative Transportation Oversight
52 Committee each year, on or before November 1, that use of the Highway Trust Fund
53 cash balances for these purposes will not adversely affect the delivery schedule of
54 Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program.
55 If the Department cannot certify that the full cash balances authorized in subsection (a1)

1 of this section are available and can be used without adversely affecting the delivery
2 schedule, then if any cash balances are available for the purposes set forth in
3 subdivisions (1) through (4) of subsection (a1) of this section, the Department shall
4 report to the Joint Legislative Transportation Oversight Committee on the actual
5 amounts and proportionally reduce the use of the cash balances for all of these
6 purposes."

7
8 Requested by: Senators Rand, Plyler, Odom, Lee

9 **DIVISION OF MOTOR VEHICLES PRINTING EFFICIENCY**

10 **SECTION 26.5.** The Department of Transportation is directed to implement
11 a more cost effective method of providing printing services for the Division of Motor
12 Vehicles.

13
14 Requested by: Senators Gulley, Plyler, Odom, Lee

15 **DMV DRIVERS LICENSE EXAMINER DRESS CODE**

16 **SECTION 26.6.** The Secretary of Transportation shall eliminate the
17 requirement that Division Of Motor Vehicle Drivers License examiners wear uniforms.
18 The Secretary shall develop a new dress code for examiners that includes a requirement
19 that examiners wear khaki-type slacks and wear polo-type shirts bearing the Division's
20 logo.

21
22 Requested by: Senators Gulley, Plyler, Odom, Lee

23 **DIVISION OF MOTOR VEHICLES TO IMPLEMENT MULTIYEAR**
24 **REGISTRATIONS AND TEN-YEAR DRIVERS LICENSES**

25 **SECTION 26.7.** The Division of Motor Vehicles shall develop and
26 implement a system of issuing multiyear motor vehicle registrations and ten-year
27 drivers licenses. The Division of Motor Vehicles shall report to the General Assembly
28 on the first day of the 2003 Regular Session on any statutory changes required to
29 implement the multiyear registrations and ten-year licenses.

30
31 **PART XXVII. INFORMATION TECHNOLOGY**

32
33 Requested by: Senators Reeves, Plyler, Odom, Lee

34 **ELECTRONIC PROCUREMENT AND STATE INFORMATION**
35 **TECHNOLOGY PROCUREMENT BY SECRETARY OF**
36 **ADMINISTRATION**

37 **SECTION 27.1.(a)** G.S. 143-48.3(a) reads as rewritten:

38 "(a) The Department of Administration ~~and the~~ shall develop and maintain
39 electronic or digital standards for procurement. The Department of Administration shall
40 consult with the Office of the State Controller, in conjunction with the Office of
41 Information Technology Services (ITS), the Department of State Auditor, the
42 Department of State Treasurer, The University of North Carolina General
43 Administration, the Community Colleges System Office, and the Department of Public
44 Instruction shall collaborate to develop electronic or digital procurement
45 standards. Instruction."

46 **SECTION 27.1.(b)** G.S. 143-48.3(c) reads as rewritten:

47 "(c) The Department of Administration shall utilize the Office of Information
48 Technology Services ~~shall act as an Application Service Provider for an electronic~~
49 procurement system and shall establish, manage, and system. The Office of Information
50 Technology Services shall operate this electronic procurement system, through State
51 ownership or commercial leasing, in accordance with the requirements and operating
52 standards developed by the Department of Administration, the Office of the State
53 Controller, and ITS. Administration and the financial reporting and accounting
54 procedures of the Office of the State Controller."

July 22, 2002

Global TransPark

GTP Budget

Current GTP Budget, Governor's Recommendation, and Senate Budget

	FY01-02	FY02-03 Certified	Governor's Recommendation FY02-03	Senate Budget FY02-03
Highway Fund (for operations)	\$605,549	\$618,660	\$618,660	\$1,600,000
<u>General Fund</u>				
Operations	\$2,204,451	\$576,982	\$450,990	
Runway Development	\$575,549	\$566,359	\$566,359	
General Fund Total	\$2,780,000	\$1,143,341	\$1,017,349	
GRAND TOTAL	\$3,385,549	\$1,762,001	\$1,636,009	\$1,600,000

These funds are in addition to the \$10.2 million cash on hand that GTP has for environmental mitigation as our part of the agreement with FAA.

The Senate Budget for GTP for FY02-03 (General Fund and Highway Fund) is:

- **\$1,785,549 less than GTP had in FY01-02.**
- **\$162,001 less than GTP would have in the second year of the current budget.**
- **\$36,009 less than the Governor's recommendation.**
- The State has spent over \$45 million on the GTP project (\$19 million from the Highway Fund and \$26 million from the General Fund). The federal government has spent over \$28 million.
- GTP Long Term Financial Obligations –\$16 million
 - \$12.5 million to the Escheat Fund. The final maturity on these obligations is June 30, 2004. The General Assembly has stated its intention to hold the Escheat Fund harmless from any loss.
 - \$2.9 million for remaining runway match – The runway extension is a \$35 million project, \$17.5 million each from the State and the federal government. The federal money has all been spent and the runway itself is essentially complete and is expected to be fully complete in December 2002. Most of the State's funding will be used for environmental mitigation to make up for the wetlands lost in extending the runway. GTP has \$10.2 million on hand to work on this task, which will take several years, and will require an additional \$2.9 million in State appropriations to fully fund the State's match.

- \$660,000 to USDA to repay loan used to construct Fixed Base Operator Hangars. The loan is at 4.75% for forty years.
- GTP has been awarded a \$3.78 million federal grant to upgrade the Instrument Landing System to Category III. This will require State funds of approximately \$750,000.
- GTP Obligations – The Attorney General’s Office is reviewing GTP’s contractual obligations, including:
 - GTP and its predecessors have received grants from FAA, which may entail certain obligations to keep the airport open.
 - There is a Joint Use Agreement with the military that allows military use of the GTP.
 - GTP has contracts with construction companies, other vendors, and tenants in its buildings.
 - The grant from EDA for the Education and Training Center requires that the facility have an economic development focus.
- Planned Capital Projects – GTP has identified over \$23 million of potential future projects to complete the existing airfield facility and environmental requirements and to complete the air cargo operational facilities. Most of this would have to come from new appropriations or the Escheat Fund.
- Completing the Crescent Road Project (a TIP project) - \$76 million
This is the main highway project serving GTP. The project was actually in the Kinston Thoroughfare Plan before GTP was created but it is more elaborate than it would have been without GTP. The project has three segments: one is complete, one is under construction, and one will be under construction in FY05. The total cost is \$96 million and \$20 million has been spent so far.

Recommendations from DOT and Community College System

In response to special provisions in SB 1005, DOT and the Community College System prepared reports and recommendations for the General Assembly on use of the GTP’s main assets, the airport and the Education and Training Center.

- DOT has proposed that its Aviation Division take over airport operations and develop a business plan to do additional training and other airport related business operations, e.g. mechanic and pilot training, super safety seminar, regain commercial service.
- The Community College system’s consultant evaluated five alternatives, one of which was for the Education and Training Center to become a regional technology center, with Lenoir Community College as the lead institution. He estimated that financial requirements from the State would be similar to what it is paying now to maintain and keep up-to-date the Education and Training Center (about \$650,000 per year).

State Funding for the Global TransPark Authority

	Highway Fund	General Fund	Total
1991-92	\$ 2,610,000		\$ 2,610,000
1992-93	\$ 6,455,250		\$ 6,455,250
1993-94	\$ 750,000		\$ 750,000
1994-95	\$ 3,620,000		\$ 3,620,000
1995-96	\$ 750,000		\$ 750,000
1996-97	\$ 750,000	\$ 3,277,000	\$ 4,027,000
1997-98	\$ 750,000		\$ 750,000
1998-99	\$ 769,566	\$ 7,325,000	\$ 8,094,566
1999-00	\$ 1,100,512	\$ 8,825,000	\$ 9,925,512
2000-01	\$ 1,164,517	\$ 3,842,717	\$ 5,007,234
2001-02	\$ 605,549	\$ 2,780,000	\$ 3,385,549
Total	\$19,325,394	\$26,049,717	\$45,375,111

In recent years GTP has also received \$172,036 per year for marketing through the Department of Commerce. These funds are not included in the Senate's budget.

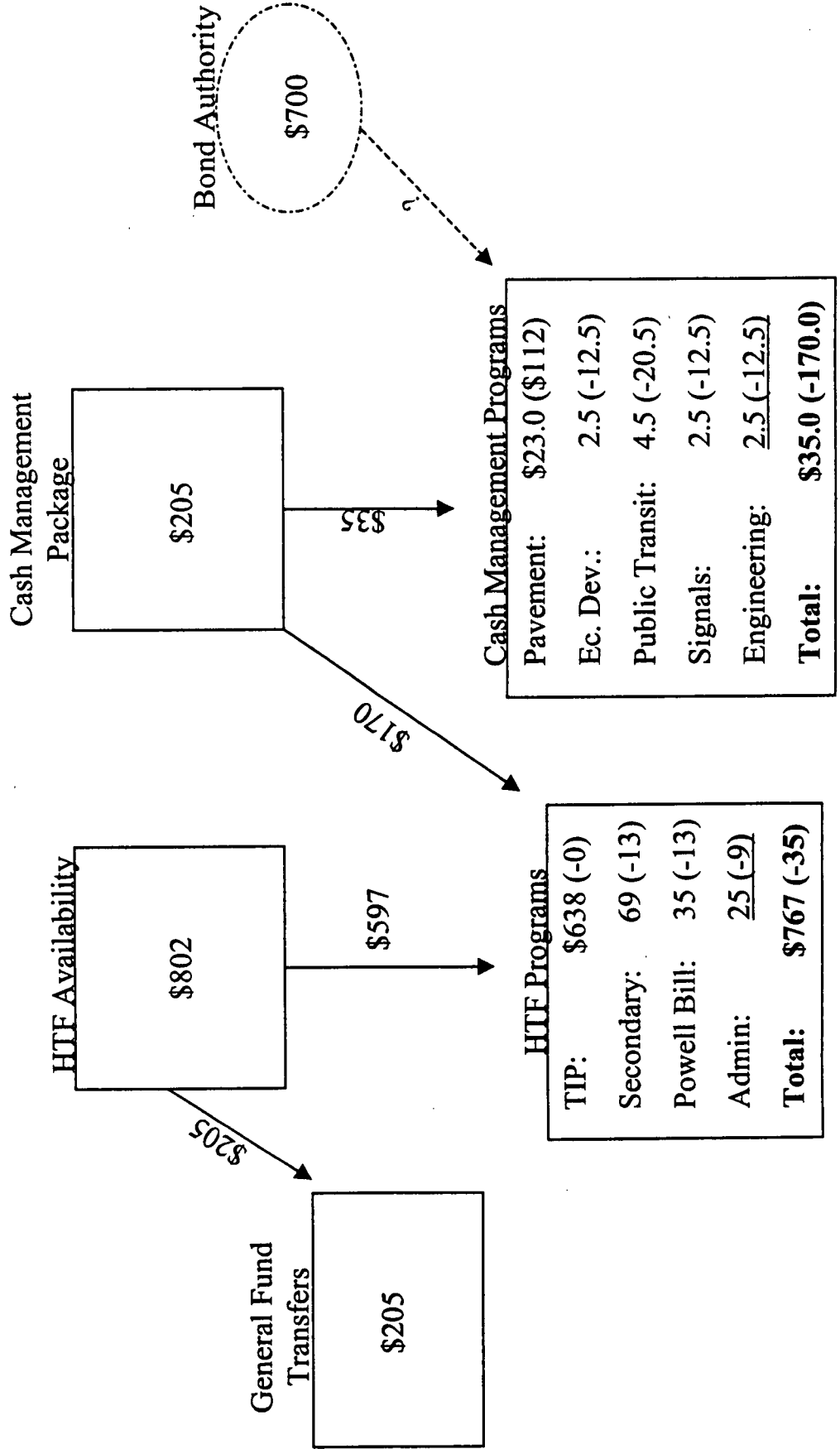
Highway Trust Fund Budget for 2002-03

	<u>Certified</u>	<u>Governor's Recommendations</u>	<u>Senate Budget</u>	<u>Draft House Recommendations</u>
<u>Revenue</u>				
Highway Trust Fund Revenue	1,032,274,000	974,830,000	974,830,000	974,830,000
Statutory Transfer to General Fund	(172,400,000)	(172,400,000)	(172,400,000)	(172,400,000)
Additional Recurring Transfer	-	(80,000,000)	(80,000,000)	(80,000,000)
Additional Nonrecurring Transfer	-	(100,000,000)	(125,000,000)	(125,000,000)
Revenue Available for Transportation	859,874,000	622,430,000	597,430,000	597,430,000
<u>Appropriations</u>				
Intrastate System	487,983,396	348,111,325	333,320,763	328,765,110
Secondary Roads	87,296,412	71,260,712	69,708,837	69,230,843
Urban Loops	197,320,162	140,761,722	134,781,035	132,938,918
Aid to Municipalities	51,200,841	36,524,998	34,973,123	34,495,129
Program Administration	36,073,189	25,771,243	24,646,242	32,000,000
Grand Total/Highway Trust Fund	859,874,000	622,430,000	597,430,000	597,430,000

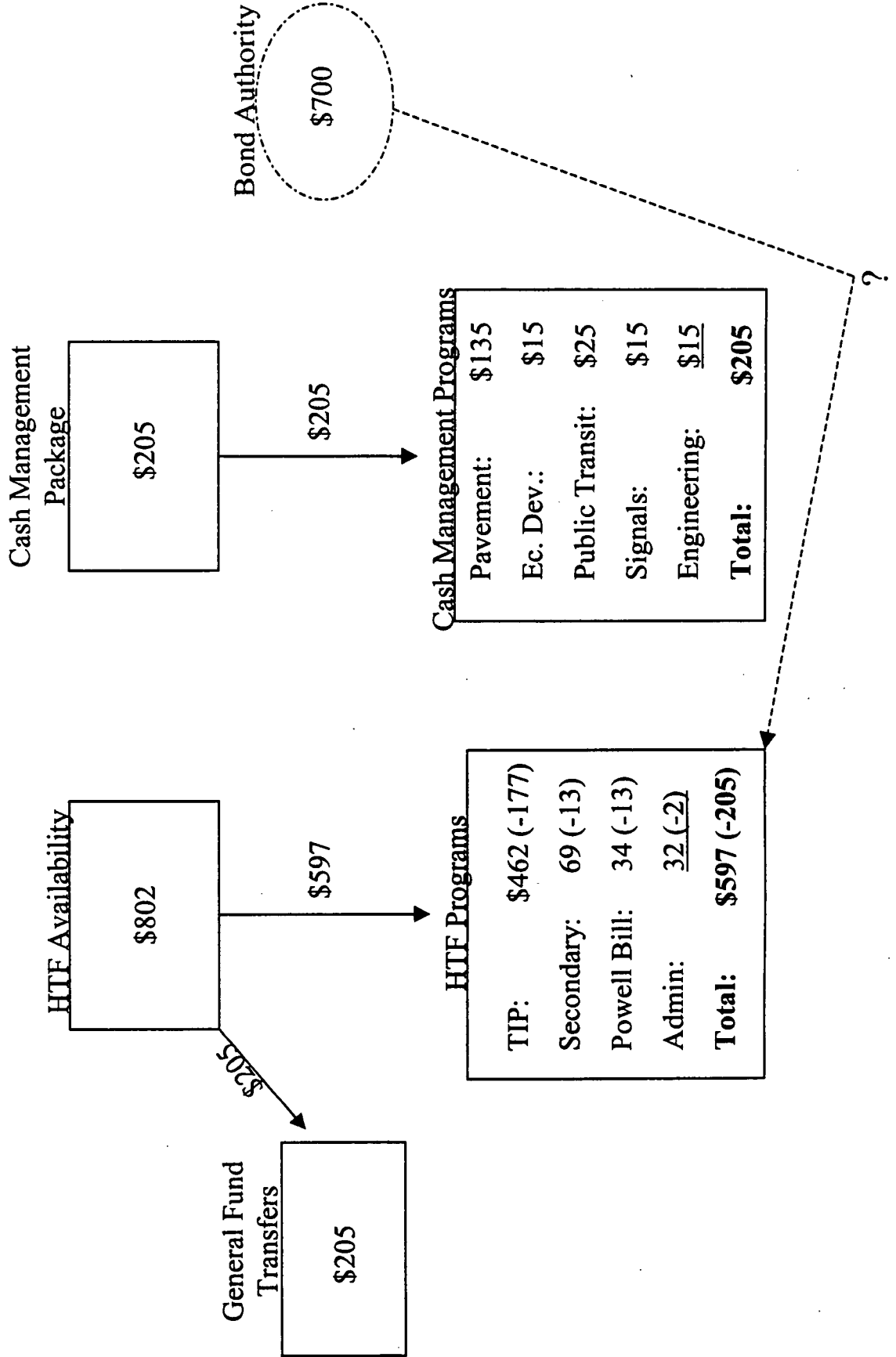
**Impact to Transportation of \$205 Million Transfer
to General Fund**

	<u>Senate Budget</u>	<u>House Recommendations</u>
TIP:	Held harmless by cash management legislation (SB 1005)	-\$177 million (impact details on pp. 31-32. Impacts could be minimized by selling bonds.
Secondary Roads:	-\$13 million	-\$13 million
Powell Bill:	-\$13 million	-\$13 million
Administration:	-\$9 million	-\$2 million
Cash Management Projects:	-\$170 million (impact details on pp. 21-30). Impacts could be minimized by selling bonds.	Held harmless by changing cash management provision.
Total Impact:	-\$205 million	-\$205 million

Senate Plan (\$ Millions)



House Plan (\$ Millions)





STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

June 25, 2002

The Honorable James W. Crawford, Jr.
The Honorable Nelson Cole
House Transportation Appropriations Subcommittee
North Carolina House of Representatives
Raleigh, North Carolina

Gentlemen:

The Highway Trust Fund law, G.S. 136-176(b) allows up to 4.5 percent of the Highway Trust Fund revenue derived from gasoline taxes, highway use taxes, \$20 per title fee, and miscellaneous registration fees to be used for administration. Since the beginning of the Highway Trust Fund this amount has been computed net of the transfer from the Highway Trust Fund to the General Fund. The Office of State Budget and Management adopted this method which has been used even though the law does not require the reduction in the base for the transfer to the General Fund.

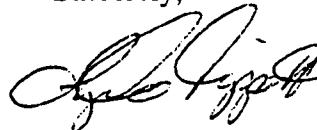
The exclusion of the transferred amount (\$170 million in most years) has reduced the amount available for administration. The Department has not needed a greater amount for administration and has not sought to change the computation to enlarge the administrative allowance. The Senate budget proposes to substantially increase the transfer from the Highway Trust Fund to the General Fund. If the traditional method for calculating the administrative allowance is followed, the amount available will drop below the current budgeted level for administration. These shortages would have to be made up from the Highway Fund. The General Assembly increased the amount of recurring budgeted Highway Trust Fund Administration several years ago to free funds in the Highway Fund for highway maintenance.

I believe it is now necessary to compute the administrative allowance using the full base of revenues provided for in G.S. 136-176(b). Doing so would raise the administrative allowance to over \$41 million for 2002-03. However, the Department does not desire to use a sum that large on administration and proposes that the administrative allowance from the Highway Trust Fund be set by the General Assembly at \$35 million for 2002-03. The attachment shows how the 2002-03 budget with the

The Honorable James W. Crawford, Jr.
The Honorable Nelson Cole
June 25, 2002
Page 2

transfers approved by the Senate would appear if \$35 million for administration were approved. I am requesting that the House revise the budget to reflect this appropriation for administration.

Sincerely,



Lyndo Tippet

LT/ws

Cc: Dan DeVane, Deputy Secretary
Susan Coward, Legislative Liaison
Wayne Stallings, Chief Financial Officer

**Recommended Highway Trust Fund Appropriations for 2002-03
Using Senate Proposal for Transfers to the General Fund and
Capping Administration at \$35 million**

Intrastate System	\$ 326,906,610
Secondary Roads	69,035,843
Urban Loops	132,187,419
State Aid to Municipalities	34,300,129
Program Administration	35,000,000
Transfer to the General Fund	<u>377,400,000</u>
Total	\$ 974,830,000

Impact of Senate Budget on 2002-03 Cash Management Projects

	<u>Originally Authorized</u>	<u>SB 1115 Reductions</u>	<u>Revised Authorizations</u>	<u>Impact on Projects Shown on Pages...</u>
Pavement Preservation	135,000,000	112,164,751	22,835,249	pp. 22 - 24
Economic Development Roads	15,000,000	12,462,750	2,537,250	-
Signal Systems	15,000,000	12,462,750	2,537,250	p. 25
Preliminary Engineering	15,000,000	12,462,750	2,537,250	p. 26
<u>Public Transportation</u>				
New Starts	14,000,000	11,631,900	2,368,100	pp. 27, 30
Rural Capital/Facilities/Human Service	8,000,000	6,646,800	1,353,200	pp. 27 - 29
Urban/Regional Operating	3,000,000	2,492,550	507,450	p. 29
Total from Cash Balances	205,000,000	170,324,251	34,675,749	

Revised 7/9/02

Pavement Preservation Projects - 2002-03

Under the Senate budget, pavement preservation funding would be reduced from \$135 million to \$23 million. The projects scheduled for 2002-03 (listed below) would be cut by 83%. On average, each Highway Division would face a reduction in its pavement preservation funding from about \$10 million to roughly \$2 million.

Division	County	Route	Length	Description
1	Dare	US 158	16.1	Dogwood Trail to US 64
1	Chowan	NC 32/37	4.5	Albemarle sound Bridge to Perquimans CL
1	Perquimans	NC 37	0.12	Chowan CL to US 17
1	Northampton	NC 305	11.16	US 158 in Jackson to US 258 in Rich Square
1	Pasquotank	US 17	14	North End of Elizabeth City Bypass to South End of Elizabeth City Bypass
			45.88	
Division	County	Route	Length	Description
2	Pitt	US 264A	4.44	Elim Street to US 13
2	Lenoir	US 70	11.6	Wayne CL to US 258
			16.04	
Division	County	Route	Length	Description
3	Duplin	NC 11	9	NC 111 to Wayne Co
3	Onslow	NC 50	1.15	SR 1105 to Pender CL
3	Onslow	NC 50	2.2	WCL of Holly Ridge to SR 1146
3	Onslow	US 17	2.59	NCL of Jacksonville to End of Divided Highway
3	Sampson	NC 24	10.57	US 421 to Duplin CL
			25.51	
Division	County	Route	Length	Description
4	Nash	US 64	14.4	NC 581 to Stoney Creek (I-95)
4	Wayne	US 117	11.27	Duplin CL to US 13
			25.67	
Division	County	Route	Length	Description
5	Wake	US 401	4	Dawson St. to Brentwood Road
5	Wake	US 70	1.7	NC 50 to Duraleigh Road
5	Durham	US 70	3.5	Marley Drive to 0.3 miles W. of NC 98
5	Wake	NC 50	15.1	US 70 to Granville CL

Division	County	Route	Length	Description
5	Durham	US 501	5.2	S. Lowell Dr. to Person CL
5	Franklin	US 64	3.6	Wake CL to Nash CL
5	Wake	US 1	1	Calvary Drive to 0.2 miles N. of Spring Forest
5	Durham	US 15/501B	1.4	Tower Blvd. to end of Divided Section
5	Wake	NC 54	<u>5.2</u> 40.7	Aviation Parkway to I-40
6	Robeson	NC 72	13.4	SCL Lumberton to NC 710
6	Columbus	NC 242	13.72	US 76 to Bladen CL
6	Bladen	NC 242	5.6	Columbus CL to NC 131
6	Harnett	NC 42	6	Wake Co to Chatham Co.
6	Harnett	US 401	10.3	US 421 to Wake CL
6	Cumberland	NC 210	3	US 401 Byp. To Begin Divided Section
6	Cumberland	NC 210	0.95	NC 24/87 to North CL of Spring Lake
6	Cumberland	NC 24/27	3.8	NC 210 to NC 690
6*	Robeson	NC 211	<u>7.4</u> 64.17	Lumberton CL to Bladen CL

* Scheduled for 6/25/02 testing

Division	County	Route	Length	Description
7	Orange	US 70	4.48	SR 1562 to Durham CL
7	Orange	NC 86	3.8	SR 1508 to Caswell CL
7	Guilford	US 421	Team with Div. 9 on US 421	
7	Rockingham	US 29 NB	<u>15.67</u> 23.95	Tr. Creek to Mayfield Rd
8	Moore/Montgomery	NC 211	11.01	SR 1238 to US 220A, Candor
8	Moore/Lee	US 15/501	10.28	NCL Carthage to US 1 (Lee Co)
8	Lee	US 421	8.96	RR Underpass to end 4-lanes
8	Montgomery	US 220	5.62	Begin 4-Lanes to NC 24/27
8	Randolph	NC 49	<u>5.68</u> 41.55	Begin 4 Lane to Davidson Co.
9	Davie	US 158	5	SR 1630 to SR 1410
9	Forsyth	US 421	7.75	Linville Road to Guilford CL
9	Forsyth	NC 67	4.44	SR 1460 to Yadkin Co.
9	Rowan	US 29	0.93	Airport Road to Guffy Road
9	Rowan	US 29	6.3	I-85 to Cabarrus CL
9	Stokes	NC 65	<u>4.36</u>	NC 8 to NC 311

Division	County	Route	Length	Description
10	Cabarrus	US 29	12.6	Rowan CL to Pavement Joint @ Rocky River Bridges
10	Stanly	NC 73	8.3	NCL of Albemarle to Cabarrus CL
10	Stanly	US 52	2.5	NC 49 to Cabarrus CL
10	Cabarrus	US 52	<u>1.05</u>	Stanly CL to Rowan CL
			24.45	
Division	County	Route	Length	Description
11	Caldwell	US 321	10.43	Burke CL to Bridge # 369
11	Caldwell	US 321A	2.7	US 64 to SR 1933
11	Alleghany	US 21	1.89	SCL Sparta to SR 1417
11	Wilkes	NC 18/268	<u>0.98</u>	SR 1001 to NC 18
			16	
Division	County	Route	Length	Description
12	Iredell	NC 901	7	NC 115 to I-77
12	Alexander	NC 16	8.9	NC 90 to Wilkes CL
12	Cleveland	US 74	<u>4.3</u>	NC 226 to SR 1161
			20.2	
Division	County	Route	Length	Description
13	Burke	NC 181	15	US 70 Business to a point 15mi north
13	Rutherford	US 74 Bus.	11.3	US 221 to ECL Ellenboro
13	McDowell	US 70	<u>8.5</u>	SR 1120 to NC 80
			34.8	
Division	County	Route	Length	Description
14	Cherokee	US 64 EBL	<u>18.75</u>	Tenn. State Line to MP 18.75
			18.75	
		Grand Total	426.37	

Source: NCDOT

Traffic Signal Systems

Under the Senate budget, signal system funding would be reduced from \$15 million to \$2.5 million. The projects scheduled for 2002-03 (listed below) would be cut by 83%. A budget of \$2.5 million would fund about six closed loop projects.

Division	County	W.O. #	Description
Closed Loop Systems			
1	Hertford		US 13 / NC 42
1	Hertford		Us 13 / NC 561
2	Beaufort		US 264
3	Onslow		SR 1308
3	New Hanover		US 421
4	Wilson		SR 1184
4	Wilson		SR 1186
4	Johnston		US 70 BUS.
5	Vance		SR 1162
6	Cumberland		US 401
6	Harnett		ErwinRoad / US 301
7	Rockingham		NC 14 Van Buren Drive
8	Lee		US 421
9	Davidson		Thomasville Closed Loop System
10	Mecklenburg		NC 51
10	Cabarrus		NC 136
11	Caldwell		US 321 / 64 / NC 18/90
11	Caldwell		CBD
12	Iredell		NC 150
13	Buncombe		US 70/74 Tunnell Road
Traffic Management Systems			
4	Johnston	6.312002R	I-40/I-95 Message Signs
3	New Hanover	6.252001R	DMS in Wilmington
14	Haywood	6.942002R	Fog Software Upgrade
9	Forsyth	6.622002R	Triad Regional TMC
5	Wake	6.402009R	I-440 / US 70 CCTV
14	Haywood	N/A	Surveillance for I-40 Pigeon Gorge
5	Wake	6.402010R	I-440 Surveillance
2	Craven	6.172003R	RWIS New Bern
Out of Street Detection			
1	Pasquotank	6.112001R	US 17(Hughes Blvd. At Main Street)
2	Lenoir	6.202001R	NC 11-55(King Street) at Heritage Street
3	Onslow	6.262002R	SR 1470(Western Blvd.) at NC 24
5	Wake	6.402007R	US 70 at New Rand Road
6	Cumberland	6.442002R	US 301 (Eastern Blvd) at NC 24-87-210
7	Orange	6.502002R	US 70 at Pleasant Green/Mt Herman Ch Road
8	Randolph	6.572002R	US 220 Bus at Stout Road
9	Davidson	6.602001R	Julian Avenue at SR 2060 (Holly Mill Road)
10	Stanly	6.682001R	PeeDee Road at Main Street
12	Cleveland	6.802002R	NC 18 at Dekalb Street
13	Rutherford	6.892001R	US 74 at US 221-221A (Central High Hill)
14	Jackson	6.962001R	US 23-441 at US 23 Bus/SR 1514
Statewide LED Projects			
5	Wake		Statewide LED Projects (Purchase)
Closed Loop Software			
5	Wake	6.402008R	Statewide Closed Loop Software (partial)

Source: NCDOT

Preliminary Engineering Projects

Under the Senate budget, cash management funds for preliminary engineering would be reduced from \$15 million to \$2.5 million. The chart below shows projects slated for this funding so far. Highlighted preliminary engineering projects are those for which funding has been authorized by the Board of Transportation (the budgets for these projects total roughly \$6 million). Projects not highlighted are those slated for funding in the future.

FISCAL YEAR 2002

TIP	REQUEST	COUNTY	LOCATION	DESCRIPTION	BOT APPROVAL
R-4457	DIVISION 1	DARE	US 158 AT NC 12	CONSTRUCT INTERCHANGE	JANUARY 2002
R-4458	DIVISION 1	PERQUIMANS	US 17-NC 37 AT SR 1300	CONSTRUCT INTERCHANGE	JANUARY 2002
R-4459	DIVISION 1	PERQUIMANS	US 17-NC 37 AT SR 1336 AND SR 1338	CONSTRUCT INTERCHANGE	JANUARY 2002
U-2817	DIVISION 2	PITT	SR 1700 (EVANS ST.), US 264A TO SR 1711 IN WINTERVILLE	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-3618	DIVISION 2	LENOIR	CAREY ROAD EXTENSION, US 258 TO ROUSE ROAD IN KINSTON	CONSTRUCT NEW ROUTE	FEBRUARY 2002
U-3448	DIVISION 2	CrAVEN	SR 1278 (TRENT ROAD), US 17 TO SR 1215 IN NEW BERN	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-3810	DIVISION 3	ONSLOW	SR 1406 (PINEY GREEN ROAD), NC 24 TO US 17	WIDEN TO MULTI-LANES	NOVEMBER 2001
U-4437	DIVISION 5	WAKE	NC 54 (HILLSBOROUGH STREET) AND BLUE RIDGE ROAD	GRADE SEPARATION	MAY 2002
I-4413	DIVISION 6	ROBESON	I-95 AT US 301	UPGRADE INTERCHANGE	JANUARY 2002
R-4700	DIVISION 8	SCOTLAND	VARIOUS ROUTES, US 401 IN WAGRAM TO US 74 IN LAUREL HILL	UPGRADE EXISTING FACILITY	MARCH 2002
I-3802	DIVISION 9	CABARRUS-ROWAN	I-85, NC 73 TO US 29-601 CONNECTOR	ADD ADDITIONAL LANES	FEBRUARY 2002
U-4700	DIVISION 11	CALDWELL-CATAWBA	US 321, HICKORY TO LENOIR	UPGRADE ROADWAY	MARCH 2002
I-3819	DIVISION 12	IREDELL	STATESVILLE, I-40/I-77	UPGRADE INTERCHANGE	NOVEMBER 2001
I-4700	DIVISION 13	BUNCOMBE	I-26, NC 280 TO I-40	WIDEN	MARCH 2002

FUTURE YEARS FUNDING

TIP	REQUEST	COUNTY	LOCATION	DESCRIPTION	BOT APPROVAL
R-4467	DIVISION 1	PERQUIMANS	US 17 BUSINESS-NC 37, PERQUIMANS BRIDGE TO NC 37	CONSTRUCT ROAD ON PILES	MAY 2002
U-4438	DIVISION 1	PASQUOTANK	US 158, NC 34 TO US 17 BUSINESS	CONSTRUCT ROAD ON PILES	JUNE 2002
U-3315	DIVISION 2	PITT	STANTONSBURG ROAD-TENTH STREET CONNECTOR	CONSTRUCT NEW ROUTE	MAY 2002
U-4436	DIVISION 3	NEW HANOVER	SR 1318 (BLUE CLAY ROAD) AND WILMINGTON BYPASS	CONSTRUCT INTERCHANGE	MAY 2002
U-4434	DIVISION 3	NEW HANOVER	INDEPENDENCE BOULEVARD EXTENSION	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-4409	DIVISION 3	ONSLOW	HEMLOCK DRIVE EXTENSION TO CORBIN STREET	CONSTRUCT NEW ROUTE	FEBRUARY 2002
R-2603	DIVISION 11	WILKES	NC 268, MULTI-LANES EAST OF NC 18 TO SR 1966	WIDEN TO MULTI-LANES	FEBRUARY 2002
U-4435	DIVISION 11	CALDWELL	US 64-321, LENOIR	CONSTRUCT INTERCHANGE	FEBRUARY 2002
R-2307 B/C	DIVISION 12	IREDELL/CATAWBA	NC 150, RELOCATED NC 16 TO I-77	WIDEN TO MULTI-LANES	JUNE 2002
U-3450	DIVISION 12	CATAWBA	NEWTON-CONOVER LOOP, NC 10 WEST TO NC 16	CONSTRUCT NEW ROUTE	JUNE 2002

Source: NCDOT

Public Transportation Projects

Under the Senate budget, cash management funds for public transportation would be reduced from \$25 million to \$4 million. Funding for new starts (Charlotte/Mecklenburg and Triangle Transit Authority) would be reduced from \$14 million to \$2 million. Funding scheduled for rural capital, facilities, human service, and general public transportation (listed below and totalling \$11 million) would be reduced by 83% (to \$2 million).

Rural Capital Program (vehicles and equipment)

FY03 Trust Fund (Cash management allocation)	\$2,000,000
Alamance County Transportation Authority	\$404,303
City of Salisbury	\$20,700
Columbus County	\$68,041
Davidson County	\$162,962
Durham County	\$90,776
Gaston County	\$245,405
Guilford County	\$94,320
Jackson County	\$62,262
Richmond Interagency Transportation, Inc.	\$65,626
Rockingham County Council on Aging, Inc.	\$180,748
Wake County	\$307,224
Western Carolina Community Action, Inc.	\$73,200
Total	\$1,775,567

Facility Program

FY03 Trust Fund (Cash management allocation)	\$2,400,000
(type of facility construction or renovation and amount to be determined)	

Anson County	
Avery County	
Buncombe County	
Caldwell County Area Transit System, Inc.	
Chatham Transit Network	
Clay County	
Gates County	
Harnett County	
Hyde Nonprofit Private Transportation Corp., Inc.	
Mountain Projects, Inc.	
Onslow United Transit System, Inc.	
Rutherford County	
Western Carolina Community Action, Inc.	

Human Service Transportation Management Program	
FY03 Trust Fund (Cash management allocation)	\$2,000,000
Alamance County	\$208,788
Buncombe County	\$215,232
Cabarrus County	\$89,117
Catawba County	\$108,118
City of Rocky Mount	\$153,977
Cumberland County	\$39,446
Durham County	\$74,489
Gaston County	\$132,304
Goldsboro-Wayne Transportation Authority	\$141,002
Guilford County	\$166,739
Mecklenburg County	\$131,109
New Hanover County	\$129,930
Onslow County	\$92,326
Orange County	\$139,629
Wake County	\$151,192
Total	\$1,973,398
Rural General Public Program	
FY03 Trust Fund (Cash management allocation)	\$1,600,000
Alamance County	\$56,156
Buncombe County	\$95,510
Caldwell County	\$60,000
Carteret County	\$22,150
Catawba County	\$18,000
City of Rocky Mount	\$55,929
Clay County	\$15,000
Columbus County	\$37,404
Choanoke Public Transportation Authority	\$122,442
Davidson County	\$20,000
Duplin County	\$15,000
Gates County	\$45,000
Graham County	\$15,000
Guilford County	\$80,000
Haywood County	\$88,000
Henderson County	\$106,238
Hoke County	\$33,503
Intercounty Public Transportation Authority	\$90,000
Iredell County	\$80,500
Jackson County	\$15,000
Johnston County	\$46,836
Macon County	\$10,125
Martin County	\$47,622

Mitchell County	\$3,006
(Rural General Public continued)	
New Hanover County	\$39,936
Onslow County	\$50,000
Orange County	\$116,184
Robeson County	\$50,000
Rockingham County	\$26,296
Rowan County	\$28,550
Rutherford County	\$23,027
Watauga County	\$10,544
Wilson County	\$25,000
Total	\$1,547,958
Urban and Regional Program	
FY03 Trust Fund (Cash management allocation)	\$3,000,000
AppalCART (Boone)	\$45,044
Asheville	\$95,258
Chapel Hill	\$235,326
Charlotte	\$1,090,512
Durham	\$294,820
Fayetteville	\$86,625
Gastonia	\$44,719
Goldsboro	\$15,789
Greensboro	\$121,595
Greenville	\$27,375
Hickory	\$25,593
High Point	\$80,733
Raleigh	\$257,859
Rocky Mount	\$33,180
Salisbury	\$25,822
Triangle Transit Authority	\$174,943
Wilmington	\$103,103
Wilson	\$28,737
Winston-Salem	\$212,967
Total	\$3,000,000
Source: NCDOT	

Funding Needs and Availability for New Start Public Transportation Projects

State Match Needs for New Start Projects - By Year of Obligation

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Totals
TTA Rail - Phase 1	\$ 31.3	71.6	25.2	11.9	11.9	0.0	0.0	0.0	0.0	0.0	\$ 151.9
TTA Rail - Phase 2	\$ -	1.4	2.1	19.9	6.5	24.4	46.0	52.3	74.8	50.0	\$ 277.4
Charlotte Corridors	\$ 33.0	45.4	33.5	23.6	20.9	20.8	27.9	13.4	18.2	33.8	\$ 270.5
New Start Totals	\$ 64.3	118.4	60.8	55.4	39.3	45.2	73.9	65.7	93.0	83.8	\$ 699.8

New Start Funds Available

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Totals
Continuation	\$ 23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	\$ 234.0
Expansion	\$ 2.0	-	-	-	-	-	-	-	-	-	\$ 2.0
Cash Flow	\$ 14.0	63.0	-	-	-	-	-	-	-	-	\$ 77.0
Unobligated (prev. yrs.)	\$ 32.4	-	-	-	-	-	-	-	-	-	\$ 32.4
Total	\$ 71.8	86.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	\$ 345.4

TTA Phase 1 is the rail project from North Raleigh to the Duke Medical Center.

TTA Phase 2 includes the extension to Phase 1 in northeast Raleigh, the 15/501 corridor between Chapel and Durham, the connection to the airport and the NC54/I40 corridor. Note that the 15/501, airport connection and NC54/I40 corridors are not officially recognized by the federal government yet on its list of New Start projects and costs are very rough estimates.

Charlotte's total includes work in all five corridors. The total includes the estimated costs to complete the South, North, and a third corridor, plus it includes most of the cost for a fourth corridor and part of the cost of a fifth corridor. Note that only the South and North corridors are currently officially recognized by the federal government in its list of New Start projects.

Total funds available to match new start projects in 2003 is \$69,813,308. This includes \$32,406,654 (including \$9,000,000 from cash management) from unobligated 2002 funds and \$37,406,654 (including \$14,000,000 from cash management) from unobligated 2003 funds.

Based on the most current information available, there are sufficient state funds available to meet new start project needs in 2003. Furthermore, at the end of 2003, there will be \$5,514,308 (\$69,813,308 - \$64,300,000) in new start funds available for obligation in 2004.

Source: NCDOT

IMPACT ON TIP OF PROPOSED \$ 205 M ADDITIONAL TRANSFER FROM HIGHWAY TRUST FUND

A \$ 205 million transfer would affect the four programs in the following ways:

- \$ 121.28 M decrease in Intrastate funding availability,
- \$ 49.04 M decrease in Urban Loop funding availability,
- \$ 12.73 M decrease in Urban aid (Powell Bill) supplement funds, and
- \$ 12.72 M decrease in Secondary Road paving funds.

These decreases in budget authority for state fiscal 2002-03 would result in the delay of several projects in all of these categories. The Powell Bill and Secondary Road decreases will lower the amounts assigned to Counties and Municipalities based on the existing allocation formulas. The decreases in Intrastate and Urban Loop funding availability will cause an approximate one-year delay in projects scheduled for the upcoming fiscal year. Due to outstanding obligations for projects previously let and cash flowed, virtually all new Intrastate project starts will be delayed.

While the decision on which specific projects would be delayed is subject to action by the Board of Transportation, a set of candidate projects is listed below:

Intrastate Projects

R-2548 US 64 in Tyrrell and Washington Counties. A, E, and G parts construction delayed.	\$ 28 M
R-1015 US 70, the Havelock Bypass. A part ROW delayed.	\$ 2.1 M
R-2405 US 17 connector to I-40. A part construction delayed.	\$ 12.2 M
U-2107 US 17, the Jacksonville Bypass. D part construction delayed.	\$ 7.5 M
R-2552 US 70, the Clayton Bypass. AB and C parts ROW delayed.	\$ 6.5 M

X-2 US 13 extension in Cumberland County. C part ROW delayed.	\$ 5 M
R-2417 US 421/NC 87, the Sanford Bypass. AB part construction delayed.	\$ 11.6 M
R-967 NC 24/27 in Stanley County. CC part ROW delayed.	\$ 14.4 M
R-2559 US 74, the Monroe Bypass. B and C parts construction delayed.	\$ 26.3 M
R-2237 US 321 in Caldwell County. B part ROW delayed.	\$ 2.4 M

Urban Loop Projects

U-2524 Greensboro Western Loop. AC part construction delayed.	\$ 13.8 M
R-2248 Charlotte Western Loop. D part construction delayed.	\$ 33.4 M

This is dependent on how the transfer is directed. If our budget authority is decreased, we will have to make the TIP adjustments listed above or some slight variation, as our options are very limited. This approach hits both our TIP budget and our cash balances. If the transfer were directed to come from the cash balances, then the impact would be limited to the availability of cash to do federal-aid advance construction and cash flow additional projects. This approach however, will have a significant impact on our proposed maintenance activities for the upcoming year. In order to best manage and minimize the impact of any Trust Fund transfer on our construction and maintenance activities, the Secretary should be given the authority to balance the budget impacts between the TIP and maintenance areas.

Source: NCDOT

1-Year Impact of Senate's Transfer Actions

In FY 2002-03, the transfers proposed by the Senate would result in a 26% reduction in the budget of the Highway Trust Fund.

Trust Fund Budget FY 2002-03: (Net of statutory transfer of \$172 million)	\$802,430,000
Additional Nonrecurring Transfer (1-Year):	-125,000,000
Additional Recurring Transfer:	<u>-80,000,000</u>
	\$597,430,000 (-26%)

6-Year Impact of Senate's Transfer Assuming \$80 Million Transfer Sunsets

Over a 6-year period, the total transfers proposed by the Senate would result in a reduction of roughly 3% in the Highway Trust Fund budget, assuming the additional \$80 million transfer sunsets after FY 2004, and assuming the nonrecurring \$125 million transfer would be paid back.

Trust Fund Budget (FY 2003-FY 2008): (Net of statutory transfers of \$172 million)	\$5,507,000,000
Additional Recurring Transfers: (\$80 million/year for 2 years)	<u>- 160,000,000</u>
	\$5,347,000,000 (-3%)

6-Year Impact of Senate's Transfer Assuming \$80 Million Transfer is Continued Indefinitely

Over a 6-year period, the total transfers proposed by the Senate would result in a reduction of roughly 9% in the Highway Trust Fund budget, assuming the additional \$80 million transfer did not sunset, and assuming the nonrecurring \$125 million transfer would be paid back (If the \$125 million were not paid back, the total cut would be \$605 million, a reduction of 11%).

Trust Fund Budget (FY 2003-FY 2008): (net of statutory transfers of \$172 million)	\$5,507,000,000
Additional Recurring Transfers: (\$80 million/year over 6 years)	<u>- 480,000,000</u>
	\$5,027,000,000 (-9%)

Long Term Impact of Senate's Transfer With and Without Bonds
Assuming \$80 Million Transfer is Continued Indefinitely

Between FY 2003 and FY 2020, the transfers proposed by the Senate would require \$1.4 billion from the Highway Trust Fund, assuming the additional \$80 million transfer did not sunset. If \$700 million in bonds are issued, the big hits to the Highway Trust Fund will be pushed back beyond FY 2008, but the total long-term impact will be greater, as the bonds are paid back with interest.

Additional Transfer to General Fund (2003-2020): \$1,440,000,000

Impact to Highway Trust Fund

	Without Bond Financing	With \$700 Million in Bond Financing*
FY 2002 – FY 2008:	-\$480,000,000	-\$20,000,000
FY 2009 – FY 2020:	-\$960,000,000	-\$1,760,000,000
Total:	-\$1,440,000,000	-\$1,780,000,000

* Under this scenario, \$200 million in bonds would be sold in FY 2003, \$250 million in FY 2005 and \$250 million in FY 2007.

June 18, 2002

Transfer Highway Trust Fund Money to the General Fund

Will the G.F. pay back the H.T.F.?

Yes

Small to no impact on DOT, depending on terms. Might have to slide projects, might have to sell bonds

No

Sell Bonds

Cut SB 1005 Cash Management Program (up to \$460 million over 2 years from maintenance and transit)

Cut TIP and other H.T.F. projects (secondary roads and Powell Bill)

How Much?

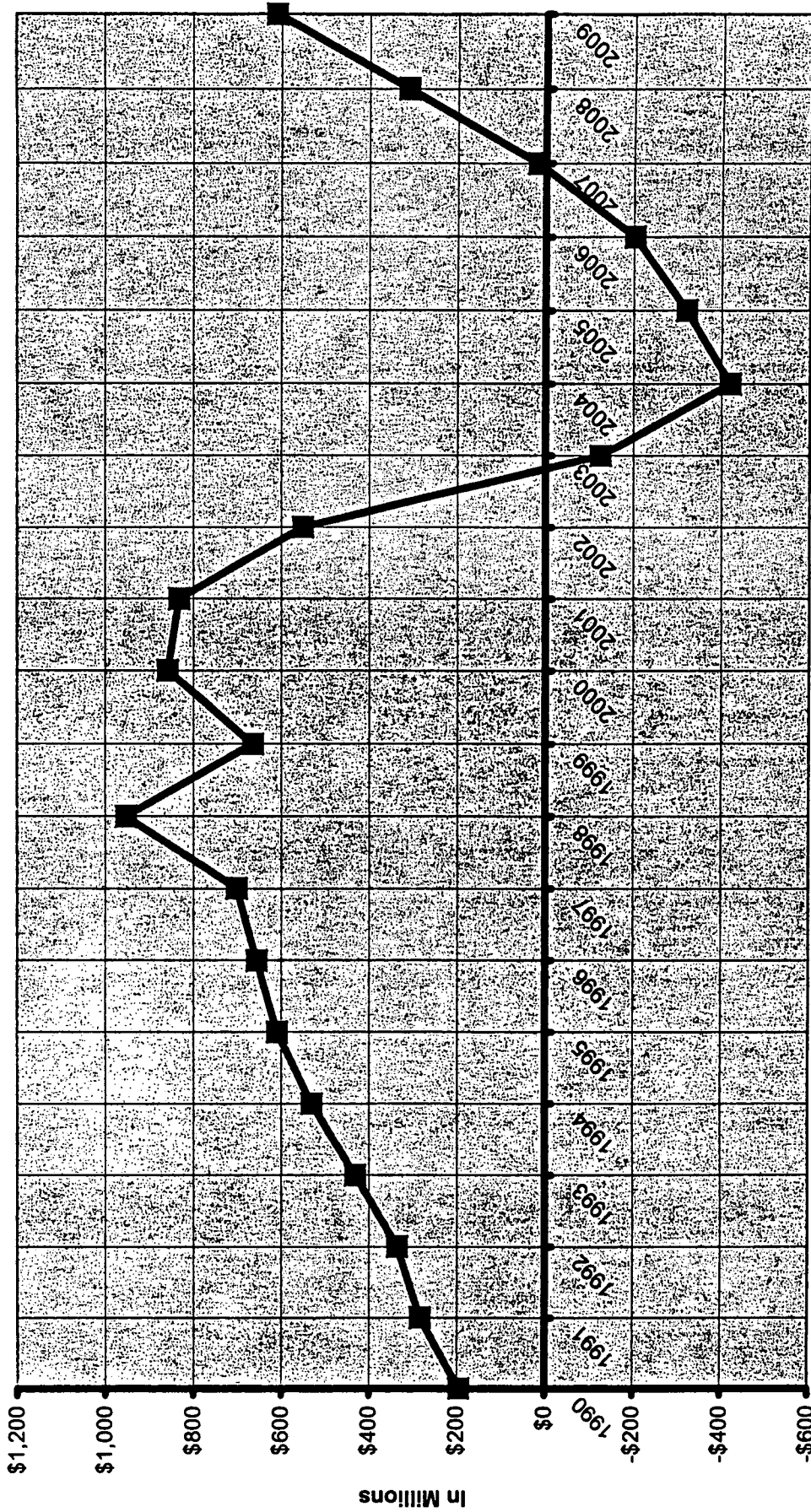
\$250 Million over 16 years

\$700 Million over 17 years

- \$128 million in interest
- First year P&I = \$31 million
- Options: Cut H.T.F. projects or Cash Management projects?

- Roughly \$400 million in interest
- First year P&I = \$76 million
- Options: Cut H.T.F. projects or Cash Management projects?

Actual and Projected Highway Trust Fund Cash Balance at June 30
 1989-90 through 2008-09 (Senate Proposal)



Fiscal Year Ends

Source: NCDOT

Transportation Needs

DOT recently completed a preliminary estimate of funded and unfunded transportation needs for the next twelve years.

Highways	\$30.4 Billion
Capacity Expansion (from TIP)	\$21.7 B
Modernization (from TIP)	\$3.7 B
Preservation (unmet maintenance needs)	\$5.0 B

Multi-Modal \$5 Billion

Estimate based on fixed guideway transit, rail, and transit operating assistance needs.

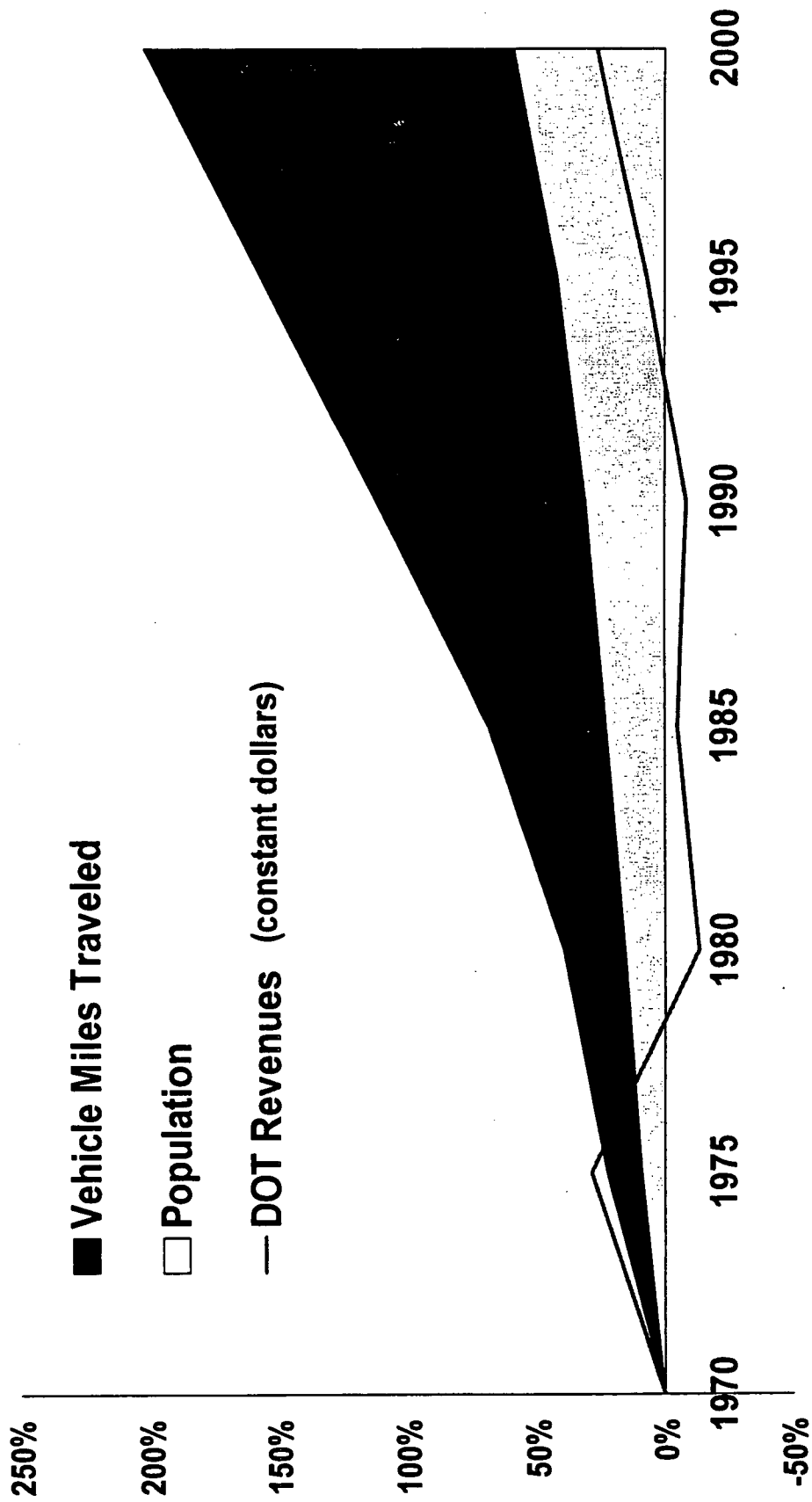
TOTAL 12 YEAR NEEDS \$35.4 Billion

Less Anticipated Funding (12 year estimates)	\$23 Billion
\$9.8 B Highway Trust Fund	
\$9.4 B Federal-aid	
\$3.8 B Highway Fund and Federal-aid	

TOTAL 12 YEAR UNMET NEEDS \$12.4 Billion

- In the past ten years
 - Paved lane miles are up by 17%
 - Vehicle miles traveled are up by 43%
 - Transportation funding (inflation adjusted) is up by 33%
 - General Fund (inflation adjusted) is up by 42%
- The additional \$153 million for maintenance this year from the cash flow provision still leaves maintenance funding about \$50 million short of the amount needed to maintain the State's 78,000 mile road system at an acceptable level.

Some Trends Affecting North Carolina Transportation



Positions and Vacancies

Positions are not a rich source of savings:

- DOT budget is a capital budget – of \$3.1 billion budget, \$2.7 billion (87%) is for construction, maintenance and transfers.
- Only \$237 million of budget is for non-capital, ongoing programs:

DMV	\$112 million
Div. of Highways	\$50 million
<u>Administration</u>	<u>\$25 million</u>
	\$237 million
- The position count at DOT has increased about 11% in the last decade (from 11,409 to 12,684). General Fund positions (including teachers) have grown about 30%.
- DMV positions have dropped by 10% over the past ten years, from 1972 in FY91-92 to 1784 this year. Computerization has allowed the work force to be cut while the number of transactions has grown (vehicles registered have grown by 31% and issuances by the Driver License Section by 32%) and responsibilities have been added.
- Of \$2.3 billion in construction and maintenance costs in FY2001 at DOT, labor costs represent a relatively small portion – about 18%, including Highway Administration. For perspective, of the \$6 billion DPI budget, personnel costs represent 95% of the total. Of the \$14.5 billion General Fund budget, personnel costs represent over 60% of the budget.
- Of the \$600 million DOT spends on personnel, \$453 million (about 75%) goes to positions funded through work orders for these capital projects rather than through departmental line items.
 - Eliminating a position funded by projects (TIP, maintenance, etc.) does not reduce the cost of completing projects. Rather, it reduces the number of positions available to do funded project work – funds will go to other positions or outside consultants, or projects will be delayed.
 - In General Fund, the number of positions drives funding. In Highway Fund and Highway Trust Fund, funding drives positions.
- Although DOT currently has 1519 vacant positions, 1203 of these vacant positions are funded by project work orders, and only 316 are administrative.

May 20, 2002

Charlotte Multi-Modal Station

Functions of the Project

The Charlotte multi-modal station project will incorporate intercity passenger rail service, local and regional bus and rail service, intercity bus service, as well as rental cars, and pedestrian and bicycle traffic. According to DOT, the most immediate needs the train station will meet are:

- as a terminus for the North Mecklenburg Transit Corridor project (regional rail)
- as an expanded city bus station
- replacing the substandard inter-city train station

DOT Short-Term Funding Needs

Property Acquisition:	\$3,184,475
Preliminary Engineering and Environmental Assessment:	<u>\$4,875,000</u>
Total	\$8,059,475

- According to DOT, the funds for preliminary engineering and environmental work are needed to move the project forward as quickly as possible. DOT believes that delaying these funds may delay construction of the train station.
- Funds for property acquisition are wanted by DOT to avoid future escalations in property prices and to ensure that the property that is needed is procured as quickly as possible.
- DOT believes that both land acquisition and preliminary engineering may help the State secure federal funds for the multi-modal station, assuming Congress makes them available.

Potential Impacts of Funding Delays

- -According to Ron Tober, the Chief Executive Officer of the Charlotte Area Transit System, delaying funding for the station should have no impact on the North Mecklenburg Transit Corridor project. This transit project will be delayed anyway.
- Delaying funding for the station may affect city bus service:
 - Charlotte bus service is expanding dramatically has already outgrown its station. According to Tober, Charlotte needs the new multi-modal station for its expanded bus service by 2006.
 - If Congress provides funds for the station this year, it could be completed by 2006. However, if Congress fails to act, the multi-modal station project will be delayed, regardless of whether the State provides funding this year or delays funding.

Highway Fund Budget for 2002-03

	<u>Certified Budget</u>	<u>Governor's Recommendations</u>	<u>Senate Budget</u>	<u>Draft House Budget</u>
<u>Revenue and Availability</u>				
Revenue Estimate	1,311,720,000	1,276,600,000	1,276,600,000	1,276,600,000
Credit Balance	-	41,300,000	41,300,000	41,300,000
Transfer to General Fund	-	(30,000,000)	-	-
Total Funds Available	1,311,720,000	1,287,900,000	1,317,900,000	1,317,900,000
<u>Total Appropriations</u>				
Administration	69,195,895	69,195,895	68,833,663	69,195,895
Operations	28,801,650	28,801,650	28,801,650	28,801,650
Construction and Maintenance				
a. Construction				
(01) Primary Construction	-	-	-	-
(02) Secondary Construction	89,387,000	89,387,000	87,500,000	87,500,000
(03) Urban Construction	14,000,000	14,000,000	14,000,000	14,000,000
(04) Access and Public Service Roads	2,000,000	2,000,000	2,000,000	2,000,000
(05) Contingency Construction	10,000,000	10,000,000	15,000,000	15,000,000
(06) Spot Safety Construction	9,100,000	9,100,000	9,100,000	9,100,000
b. State Funds to Match Federal aid	5,212,266	5,212,266	5,212,266	5,212,266
c. State Maintenance	571,609,292	571,609,292	589,432,703	589,251,587
d. Ferry Operations	19,747,132	19,747,132	19,747,132	19,747,132
e. Capital Improvements	-	-	-	-
f. State Aid to Municipalities	89,387,000	89,387,000	87,500,000	87,500,000
g. Aid - Public Transportation and Railroads	75,035,834	75,035,834	92,385,834	92,204,718
h. OSHA	425,000	425,000	425,000	425,000
Governor's Highway Safety Program	266,693	266,693	266,693	266,693
Division of Motor Vehicles	98,649,802	98,649,802	98,649,802	98,649,802
Transfer to Highway Patrol	133,098,294	133,098,294	133,098,294	133,098,294
Transfer for Driver Education	29,219,551	29,219,551	29,455,660	29,455,660
Transfer for Sales Tax to G.F.	15,360,000	15,360,000	15,360,000	15,360,000
Other Reserves and Transfers	27,406,963	27,406,963	21,131,303	21,131,303
Grand Total/Highway Fund	\$ 1,287,902,372	\$ 1,287,902,372	\$ 1,317,900,000	\$ 1,317,900,000

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Wednesday, July 31, 2002

TIME: 9:00 a.m.

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **11:00 a.m. on July 30, 2002.**

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

MINUTES
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
JULY 31, 2002

The Appropriations Subcommittee on Transportation met on Wednesday, July 31, 2002, in Room 1228/1327 of the Legislative Building at 9:00 a.m. The following members were present: Presiding Chairman Nelson Cole, Representatives Barbee, Bowie, Coates, Crawford, Davis, Dockham, Gulley, McAllister, and Sutton. Staff to the committee, Ken Levenbook, Giles Perry, Evan Rodewald and Bob Weiss attended. Representative Cole introduced the pages for the day. A visitor registration list is attached and made part of these minutes.

Special Provisions (handout)

Bob Weiss was asked to explain each provision (listed below):

- H2 COMMERCIAL DRIVER LICENSE TRAINING STANDARDS
- H3 CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND
APPROPRIATIONS
- H4 HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED
- H5 BILTMORE AVENUE AIRSPACE ENCROACHMENT
- H6 CASH MANAGEMENT PROGRAM MODIFICATION
- H8 SMALL URBAN AND CONTINGENCY FUNDS
- H9 URBAN LOOP TERMINI
- H13 SCHOOL SPONSORED BUS TRANSPORTATION SAFETY STUDY
- H14 CURRITUCK COUNTY TO NORTHERN OUTER BANKS FERRY STUDY
- H15 DOT MAY USE RECEIPTS FOR FACILITIES IMPROVEMENTS
- H16 PAYBACK SCHEDULE FOR TRANSFER IN EXCESS OF THAT
AUTHORIZED BY THE GENERAL STATUTES FROM THE HIGHWAY
TRUST FUND TO THE GENERAL FUND
- H17 DOT PRINTING EFFICIENCIES STUDY
- H18 COMMISSION TO STUDY COMMISSION CONTRACTS FOR THE
ISSUANCE OF MOTOR VEHICLE REGISTRATION PLATES AND
CERTIFICATES SECTION

Representative Crawford moved to accept these provisions as written, and the motion passed.

Chairman Cole brought up an additional provision H22 TRANSPORTATION OF WOOD CHIPS AND OTHER WOOD PRODUCTS and asked Bob Weiss to present. Steve Varnedoe, DOT, explained that 1997 legislation authorized DOT to issue oversized permits for wood residuals. It was recently recognized that DOT had not adopted administrative rules for these permits. This provision would add wood residue to the already existing list of exceptions rather than issuing permits. Representative Crawford amended to read "from the facilities that initially receive the first market delivery" and

July 31, 2002

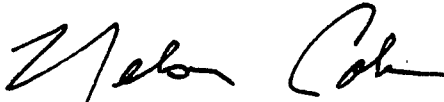
changing the term to "wood residuals." Representative Bowie moved to accept the amended provision. Representative Crawford recommended holding a vote until the provision could be revised and further studied.

HB 1696 – LAW ENFORCEMENT ESCORT FEES


Chairman Crawford asked Representative Cole to explain his bill. Wayne Stallings, DOT, explained why the funds would be given to Crime Control and Public Safety rather than DOT. Representative Bowie said the intent was to specify that the money would go to the State Highway Patrol and moved to amend the bill to specify "credit to the account of State Highway Patrol." The motion passed. Representative Sutton asked for a technical change to the title to read "when the services are requested by the shipper or when required by law." The chair said staff would roll the amendment and technical change into a new committee substitute. Representative Sutton moved to give the new committee substitute a favorable report and unfavorable report to the original committee substitute.

(Prior to the bill being reported out of committee, additional study was requested and the bill would be taken up at the next meeting on August 1.)

The meeting adjourned at 10:10 a.m.



Representative Nelson Cole, Co-Chair



Linda Winstead, Committee Assistant

VISITOR REGISTRATION SHEET

DATE 4/31/02

VISITOR: Please sign below and return to clerk.

NAME FIRM OR STATE AGENCY TELEPHONE

Milton Alford	OSBM	
Fred Tucker	CCPS	3-2193 x251
Bill Brown	CCPS	919-705-1072
TERRY STROUD	SHPO	733-5282
Kim Howard	DOT/DMV	861-3015
E.D. Walker	DOT	508-1933
Sharon Matthews	DOT-DMV	⁸⁶¹ 861 -3031
Wayne Hurden	POT-DMV	861-3888
Ruth Sappie	NC DOT	733-3624 ext 440
W. L. Brown	Capital Group	
Latha Witherspoon	NC State Watch	
Cameron Lee	NC DOT	715-0400
STEVE VARNEDE	NC DOT	715-5662
Jim RAND	NC DOT	733 7621
V.L. McBride	YMAA	

HOUSE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

July 31, 2002

9:00 am

Chairs

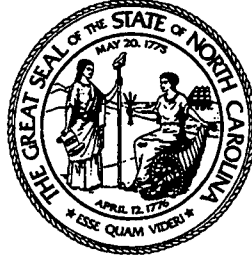
Rep. Nelson Cole

Rep. Jim Crawford

AGENDA

Committee Consideration of Special Provisions

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS
SUBCOMMITTEE APPROPRIATIONS ON TRANSPORTATION REPORT

JULY 31, 2002

2002-TRANS-H2-P	1
COMMERCIAL DRIVER LICENSE TRAINING STANDARDS	
2002-TRANS-H3(S26.1)i-P	2
CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS	
2002-TRANS-H4(S26.2)i-P	3
HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED	
2002-TRANS-H5(S26.3)i-P	5
BILTMORE AVENUE AIRSPACE ENCROACHMENT	
2002-TRANS-H6(S26.4)	6
CASH MANAGEMENT PROGRAM MODIFICATION	
2002-TRANS-H8-P	7
SMALL URBAN AND CONTINGENCY FUNDS	
2002-TRANS-H9-P	8
URBAN LOOP TERMINI	
2002-TRANS-H13-P	10
SCHOOL SPONSORED BUS TRANSPORTATION SAFETY STUDY	
2002-TRANS-H14	11
CURRITUCK COUNTY TO NORTHERN OUTER BANKS FERRY STUDY	
2002-TRANS-H15	12
DEPARTMENT OF TRANSPORTATION MAY USE RECEIPTS FOR FACILITIES IMPROVEMENTS	
2002-TRANS-H16-P	13
PAYBACK SCHEDULE FOR TRANSFER IN EXCESS OF THAT AUTHORIZED BY THE GENERAL STATUTES FROM THE HIGHWAY TRUST FUND TO THE GENERAL FUND	
2002-TRANS-H17-P	14

DEPARTMENT OF TRANSPORTATION PRINTING EFFICIENCIES STUDY

2002-TRANS-H18-P15
COMMISSION TO STUDY COMMISSION CONTRACTS FOR THE
ISSUANCE OF MOTOR VEHICLE REGISTRATION PLATES AND
CERTIFICATES

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H2-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford, Bonner

1 **COMMERCIAL DRIVER LICENSE TRAINING STANDARDS**

2 SECTION #. By January 1, 2003, the Division of Motor Vehicles shall issue
3 rules authorizing certified Commercial Truck Driver Training Schools to offer an
4 80-hour curriculum appropriate to prepare a student to meet the requirements for a Class
5 B Commercial Drivers License. These rules shall be consistent with existing rules
6 governing Commercial Truck Driver Training Schools as provided for in G.S. 20-320
7 through G.S. 20-328 and applicable administrative code sections, except for the hours of
8 instruction required.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H3(S26.1)i-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 *CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND*
2 *APPROPRIATIONS*

3 SECTION 26.1. Section 27.4(a) of S.L. 2001-424 reads as rewritten:

4 "SECTION 27.4.(a) The General Assembly authorizes and certifies anticipated
5 revenues of the Highway Fund as follows:

6	FY 2003-2004	\$1,334.6 million	<u>\$1,328.9 million</u>
7	FY 2004-2005	\$1,369.8 million	<u>\$1,374.0 million</u>
8	FY 2005-2006	\$1,406.1 million	<u>\$1,422.4 million</u>
9	FY 2006-2007	\$1,445.5 million	<u>\$1,472.6 million</u>

10 The General Assembly authorizes and certifies anticipated revenues of the Highway
11 Trust Fund as follows:

12	FY 2003-2004	\$1,127.6 million	<u>\$1,019.4 million</u>
13	FY 2004-2005	\$1,176.5 million	<u>\$1,058.5 million</u>
14	FY 2005-2006	\$1,226.8 million	<u>\$1,110.2 million</u>
15	FY 2006-2007	\$1,278.4 million	<u>\$1,162.5 million</u>

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H4(S26.2)i-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 **HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED**

2 SECTION 26.2.(a) Section 27.6(b) of S.L. 2001-424 reads as rewritten:

3 "SECTION 27.6. (b) Membership. – The Study Committee shall be composed of
4 ~~16~~18 members as follows:

- 5 (1) The Chairs of the Joint Legislative Transportation Oversight
6 Committee.
- 7 (2) Four Representatives and ~~three~~four public members appointed by the
8 Speaker of the House of Representatives.
- 9 (3) Four Senators and ~~three~~four public members appointed by the
10 President Pro Tempore of the Senate.

11 The appointing authorities shall make their appointments to reflect the urban-rural
12 diversity of the population of the State."

13 SECTION 26.2.(b) Section 27.6(c) of S.L. 2001-424 reads as rewritten:

14 "SECTION 27.6.(c) Duties of the Study Committee. – The Committee may study
15 all aspects of the Highway Trust Fund. The study shall include the examination of all
16 the following:

- 17 (1) The current status, cost estimates, and feasibility of Highway Trust
18 Fund projects currently listed in Article 14 of Chapter 136 of the
19 General Statutes.
- 20 (2) Unanticipated problems with the structure of the Highway Trust Fund.
- 21 (3) The gap between transportation funding structures and the actual
22 transportation needs of the State.
- 23 (4) Allocation issues raised by the structure of the transportation funding
24 equity distribution formula in G.S. 136-17.2A.
- 25 (5) The feasibility of altering the project eligibility requirements of the
26 Highway Trust Fund, including permitting the Department of
27 Transportation to add projects as long as adding those projects does
28 not delay projects already to be funded by the Highway Trust Fund,
29 projects scheduled under the 2002-2008 Transportation Improvement
30 Program, and does not impair the cash-flow provisions of G.S.
31 136-176(a1).
- 32 (6) The feasibility of altering the funding allocation structure of the
33 Highway Trust Fund, including the possible use of the Highway
34 Trust Fund to provide the State match for available federal aid

1 highway funds as long as using the funds in this manner does not delay
2 projects already funded by the Highway Trust Fund, projects
3 scheduled under the 2002-2008 Transportation Improvement Program,
4 and does not impair the cash-flow provisions of G.S. 136-176(a1).

5 (7) Any other issue related to the Highway Trust Fund or transportation
6 funding."

7 **SECTION 26.2.(c)** Section 27.6(k) of S.L. 2001-424 reads as rewritten:

8 "SECTION 27.6.(k) Report. – The report of the study shall be made to the Joint
9 Legislative Transportation Oversight Committee no later than ~~April 1, 2002.~~ the first
10 day of the 2003 Session of the General Assembly. Upon the filing of its final report, the
11 Study Committee shall terminate."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H5(S26.3)i-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 ***BILTMORE AVENUE AIRSPACE ENCROACHMENT***

2 **SECTION 26.3.** The Department of Transportation shall permit private use
3 of and encroachment upon the airspace above Biltmore Avenue located inside the
4 corporate limits of the City of Asheville for the purpose of construction and
5 maintenance of a pedestrian bridge to connect the campuses of Mission St. Joseph's
6 Health System unless, in the opinion of the Department, the bridge will unreasonably
7 interfere with and impair the property rights and easement of abutting owner or
8 unreasonably interfere with or obstruct the public use of Biltmore Avenue.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H6(S26.4)

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 **CASH MANAGEMENT PROGRAM MODIFICATION**

2 **SECTION 26.4. (a)** G.S. 136-176(a2) is repealed.

3 **SECTION 26.4. (b)** The Department of Transportation is encouraged to use
4 all existing resources including bonded indebtedness to mitigate any delays in the
5 construction of Transportation Improvement Program projects.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H8-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 ***SMALL URBAN AND CONTINGENCY FUNDS***

2 SECTION #. Section 27.3 of S.L. 2001-424 reads as rewritten:

3 "SECTION 27.3. Of the funds appropriated in this act to the Department of
4 Transportation:

5 (1) Fourteen million dollars (\$14,000,000) shall be allocated in each fiscal
6 year for small urban construction projects. These funds shall be
7 allocated equally in each fiscal year of the biennium among the 14
8 Highway Divisions for the small urban construction program for small
9 construction projects that are located within the area covered by a
10 ~~one-mile-two-mile~~ radius of the municipal corporate limits.

11 (2) Fifteen million dollars (\$15,000,000) in fiscal year 2001-2002 and ~~ten~~
12 ~~million dollars (\$10,000,000)~~ fifteen million dollars (\$15,000,000) in
13 fiscal year 2002-2003 shall be used statewide for rural or small urban
14 highway improvements and related transportation enhancements to
15 public roads and public facilities, industrial access roads, and spot
16 safety projects as approved by the Secretary of Transportation.

17 None of these funds used for rural secondary road construction are subject to the
18 county allocation formulas in G.S. 136-44.5(b) and (c).

19 These funds are not subject to G.S. 136-44.7.

20 The Department of Transportation shall report to the members of the General
21 Assembly on projects funded pursuant to this section in each member's district prior to
22 the Board of Transportation's action. The Department shall make a quarterly
23 comprehensive report on the use of these funds to the Joint Legislative Transportation
24 Oversight Committee and the Fiscal Research Division."

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H9-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representatives Cole, J. Crawford

1 **URBAN LOOP TERMINI**

2 SECTION #.(a) G.S. 136-180 reads as rewritten:

3 "§ 136-180. (For contingent repeal see editor's note) Urban loops.

4 (a) Funds allocated from the Trust Fund for urban loops may be used only for the
5 following urban loops:

6	7	8	Affected
9	Loop	Description	Counties
10	Asheville Western	Multilane facility on new	Buncombe
11	Loop	location from I-26 west of	
12		Asheville to US-19/23	
13		north of Asheville for the	
14		purpose of connecting these	
15		roads. The funds may be	
16		used to improve existing	
17	Charlotte Outer Loop	corridors.	
18		Multilane facility on	Mecklenburg
19		new location encircling	
20		City of Charlotte	
21	Durham Northern Loop	Multilane facility on new	Durham, Orange
22		location from I-85 west of	
23		Durham to US-70 east of	
24		Durham	
25			
26	Greensboro Loop	Multilane facility on new	Guilford
27		location encircling City	
28		of Greensboro	
29			
30	Raleigh Outer Loop	Multilane facility on	Wake
31		new location from US-1	
32		southwest of Cary	
33		northerly to US-64 in	
34		eastern Wake County	

1			
2	Wilmington Bypass	Multilane facility on new	New Hanover
3		location from US-17	
4		northeast of Wilmington	
5		to US-17 southwest	
6		of Wilmington	
7			
8	Winston-Salem	Multilane facility on	Forsyth
9	Northbelt	new location from I-40 west	
10		of Winston-Salem northerly	
11		to I-40 in eastern Forsyth	
12		County	

13 **(b) The Board of Transportation may, by official resolution, accept a new**
14 **interstate or freeway as the revised termini of an urban loop described in subsection (a)**
15 **of this section, and the revised project shall be eligible for funding with funds described**
16 **in G.S. 136-176(b)(2) if the following conditions are met:**

- 17 **(1) The Department of Transportation has constructed a new interstate or**
18 **freeway facility since 1989 and has changed the official route**
19 **designation from the termini described in subsection (a) of this section**
20 **to the new facility.**
- 21 **(2) The Board of Transportation finds that the purposes of the urban loop**
22 **facility, specifically including reduced congestion and high-speed,**
23 **safe, regional through-travel service, would be enhanced by the**
24 **action."**

25 **SECTION #.(b) G.S. 136-180.1 is repealed.**

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H13-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative J. Crawford

1 ***SCHOOL SPONSORED BUS TRANSPORTATION SAFETY STUDY***

2 SECTION #. The Division of Motor Vehicles, in consultation with the
3 Department of Public Instruction, the private motor coach industry, and other interested
4 parties, shall study the issue of school sponsored bus transportation safety. As a part of
5 its study, the Division is directed to study all of the following:

- 6 (1) The feasibility of increased centralized inspection of all companies that
7 offer motor coach services to schools, and the anticipated cost of
8 increased inspection.
- 9 (2) Appropriate use of school activity buses.
- 10 (3) Providing training and guidance to schools about school sponsored
11 bus transportation safety.

12 The Division shall report its findings and recommendations to the Joint Legislative
13 Transportation Oversight Committee and the Joint Legislative Education Oversight
14 Committee by December 1, 2002.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H14

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

- 1 ***CURRITUCK COUNTY TO NORTHERN OUTER BANKS FERRY STUDY***
- 2 **SECTION #.** The Department of Transportation shall study and determine
- 3 the feasibility of establishing ferry service from Currituck County to the northern Outer
- 4 Banks. The Department of Transportation shall report the results of the study to the
- 5 General Assembly on or before June 1, 2003.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H15

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

1 *DEPARTMENT OF TRANSPORTATION MAY USE RECEIPTS FOR*
2 *FACILITIES IMPROVEMENTS*

3 SECTION #. The Secretary of Transportation may approve the use of
4 receipts from the sale of Department of Transportation real property, other than right-of-
5 way property, to make needed improvements to its facilities. Prior to the sale of the real
6 property and the use of the funds for improvements to facilities, the Secretary shall
7 report to the Joint Legislative Transportation Oversight Committee and the Joint
8 Legislative Commission on Governmental Operations on the planned implementation of
9 this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H16-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

1 ***PAYBACK SCHEDULE FOR TRANSFER IN EXCESS OF THAT AUTHORIZED***
2 ***BY THE GENERAL STATUTES FROM THE HIGHWAY TRUST FUND TO***
3 ***THE GENERAL FUND***

4 SECTION #. Any funds transferred from the Highway Trust Fund to the
5 General Fund in addition to the transfer authorized by G.S. 105-187.9(b) shall be fully
6 repaid to the Highway Trust Fund in five years beginning in the 2004-2005 fiscal year,
7 using the sum of the digits formula, according to the following repayment schedule: FY
8 2004-2005 – 7%, FY 2005-2006 – 13%, FY 2006-2007 – 20%, FY 2007-2008 – 27%,
9 and FY 2008-2009 – 33%.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H17-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

1 ***DEPARTMENT OF TRANSPORTATION PRINTING EFFICIENCIES STUDY***

2 **SECTION #.** The Department of Transportation shall study, develop, and
3 implement a more cost-effective method of providing printing services for the Division
4 of Motor Vehicles. The Department shall report the efficiencies and projected cost
5 savings to the Chairmen of the House Appropriations Subcommittee on Transportation
6 and the Chairman of the Senate Appropriations on Department of Transportation
7 Subcommittee during the 2003 General Assembly.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H18-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

1 **COMMISSION TO STUDY COMMISSION CONTRACTS FOR THE ISSUANCE**
2 **OF MOTOR VEHICLE REGISTRATION PLATES AND CERTIFICATES**

3 SECTION #.(a) The Commission to Study Commission Contracts for the
4 Issuance of Motor Vehicle Registration Plates and Certificates is created. The
5 Commission shall consist of 11 members:

- 6 (1) Four Senators appointed by the President Pro Tempore of the Senate
7 and four Representatives appointed by the Speaker of the House of
8 Representatives.
- 9 (2) The President Pro Tempore of the Senate and the Speaker of the House
10 of Representatives shall each appoint one person currently contracted
11 with the Division of Motor Vehicles to issue registration plates and
12 certificates.
- 13 (3) The Commissioner of Motor Vehicles or the Commissioner's designee
14 shall serve as a voting member of the Commission.

15 SECTION #.(b) The President Pro Tempore of the Senate shall designate
16 one Senator as cochair and the Speaker of the House of Representatives shall designate
17 one Representative as cochair.

18 SECTION #.(c) The Commission shall:

- 19 (1) Review the history and policies that led to the enactment of G.S.
20 20-63(h) providing for contracts for the issuance of registration plates
21 and certificates.
- 22 (2) Study the current implementation and consequences of the provisions
23 of G.S. 20-63(h).
- 24 (3) Study how registration plates and certificates are issued in other states.
- 25 (4) Study the implications and potential effects on the contract agents of
26 the authority of the Division of Motor Vehicles to use electronic
27 applications and collections authorized in G.S. 20-63(i).
- 28 (5) Study any other factors it deems relevant related to the use of contract
29 agents for the issuance of registration plates and certificates.
- 30 (6) Make findings and recommendations on improving the services related
31 to the issuance of registration plates and certificates to the citizens of
32 North Carolina while reducing the costs to the State.

33 SECTION #.(d) The Commission shall submit a final report of its findings
34 and recommendations on or before the first day of the 2003 Session of the General

1 Assembly by filing a report with the President Pro Tempore of the Senate and the
2 Speaker of the House of Representatives. Upon filing its final report, the Commission
3 shall terminate.

4 **SECTION #.(e)** The Commission, while in the discharge of its official
5 duties, may exercise all the powers provided for under the provisions of G.S. 120-19
6 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon
7 the call of the cochairs. The Commission may meet in the State Legislative Building or
8 the Legislative Office Building.

9 **SECTION #.(f)** Legislative members of the Commission shall receive
10 subsistence and travel expenses at the rates set forth in G.S. 120-3.1. Nonlegislative
11 members shall receive subsistence and travel expenses at the rates set forth in
12 G.S.138-5.

13 **SECTION #.(g)** The Commission may contract for professional, clerical, or
14 consultant services as provided by G.S. 120-32.02. The Legislative Services
15 Commission, through the Legislative Administrative Officer, shall assign professional
16 staff to assist in the work of the Commission. The House of Representatives' and the
17 Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the
18 direction of the Legislative Services Commission. The expenses relating to clerical
19 employees shall be borne by the Commission.

20 **SECTION #.(h)** If a vacancy occurs in the membership of the Commission,
21 the vacancy shall be filled by the same appointing officer who made the initial
22 appointment.

23 **SECTION #.(i)** All State departments and agencies and local governments
24 and their subdivisions shall furnish to the Commission, upon request, any information in
25 their possession or available to them.

26 **SECTION #.(j)** The Division of Motor Vehicles, in consultation and
27 cooperation with the Commission contract agents, shall conduct a comprehensive and
28 updated productivity study of all transactions and other activity in contract agencies.
29 The Division, in consultation and cooperation with the agents, shall use this data to
30 develop a detailed proposal for compensating agents based on the tasks they undertake.
31 The proposal shall include a mechanism to adjust the schedule periodically to account
32 for inflation. The Division shall submit its proposal to the Commission on or before
33 November 1, 2002.

34 **SECTION #.(k)** From funds available to the Department of Transportation
35 in this act the sum of twenty-five thousand dollars (\$25,000) shall be transferred to the
36 General Assembly for the 2002-2003 fiscal year for the expenses of the Commission.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H20

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

1 **TRANSPORTATION OF WOOD CHIPS AND OTHER WOOD PRODUCTS.**

2 SECTION #. G.S. 20-118(c) is amended by adding a new subdivision to
3 read:

4 "(c) Exceptions. – The following exceptions apply to G.S. 20-118(b) and
5 20-118(e).

6 ...
7 (15) Subsections (b) and (e) of this section do not apply to a vehicle or
8 vehicle combination that meets all of the conditions below, but all
9 other enforcement provisions of this Article remain applicable:

- 10 a. Is hauling wood chips, saw dust, mulch, or tree bark.
11 b. Does not operate on an interstate highway or posted bridge.
12 c. Does not exceed a maximum gross weight 4,000 pounds in
13 excess of what is allowed in subsection (b) of this section.
14 d. Does not exceed a single-axle weight of more than 22,000
15 pounds and a tandem-axle weight of more than 42,000 pounds."

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

2

HOUSE BILL 1696
Committee Substitute Favorable 7/23/02

Short Title: Law Enforcement Escort Fee.

(Public)

Sponsors:

Referred to:

June 13, 2002

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE STATE HIGHWAY PATROL TO ASSESS AND COLLECT FEES FOR PROVIDING ESCORTS FOR OVERSIZED AND HAZARDOUS SHIPMENTS ONLY WHEN REQUESTED BY THE SHIPPER OR WHEN REQUIRED BY LAW.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-196.4. Oversized and hazardous shipment escort fee.

(a) Every person, firm, corporation, or entity required by the North Carolina Department of Transportation or any federal agency or commission to have a law enforcement escort provided by the State Highway Patrol for the transport of any oversized load or hazardous load by road or rail, shall pay to the Department of Crime Control and Public Safety a fee covering the full cost to administer, plan, and carry out the escort within this State.

(b) If the State Highway Patrol provides an escort to any person, firm, corporation, or entity requesting an escort to accompany the transport of oversized loads or hazardous shipments by road or rail, then the requester shall pay to the Department of Crime Control and Public Safety a fee covering the full cost to administer, plan, and carry out the escort within this State.

(c) The Department of Crime Control and Public Safety shall establish fees to carry out this section."

SECTION 2. This act is effective when it becomes law.

Suzanne Smith (Rep. Cole)

From: Linda Winstead (Rep. Jim Crawford)

Sent: Wednesday, July 31, 2002 5:14 PM

Subject: MEETING NOTICE

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2001-2002 SESSION**

You are hereby notified that the Committee on **APPROPRIATIONS/ Transportation** will meet as follows:

DAY & DATE: Thursday, August 1, 2002

TIME: 9:00 a.m.

LOCATION: 1327/1228

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

HB 1696 Law Enforcement Escort Fee

Respectfully,

Representatives Cole and Crawford
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **5:00 p.m.** on **July 31, 2002.**

___ Principal Clerk
___ Reading Clerk - House Chamber

Linda Winstead (Committee Assistant)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

August 1, 2002

9:00 A.M.

Room 1228 LB

The House Appropriations Subcommittee on Transportation met on Thursday, August 1, 2002 at 9:00 a.m. in room 1228 of the Legislative Building. Representative Jim Crawford presided and called the meeting to order. He recognized the Pages that were present. A visitor registration sheet is attached and made part of these minutes. The following members were present:

Rep. Jim Crawford
Rep. Nelson Cole
Rep. Joni Bowie
Rep. Bobby Barbee

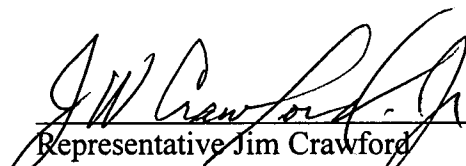
Rep. Lorene Coates
Rep. Don Davis
Rep. Jim Gulley
Rep. Ronnie Sutton

Representative Crawford presented the special provision for Transportation/Appropriations Budget, H20 - TRANSPORTATION OF WOOD CHIPS AND OTHER WOOD PRODUCTS, handout #1. Several changes were suggested. Discussion followed. Representative Barbee moved to accept this special provision as presented. The motion was seconded and passed. Ken Levenbook, staff attorney, spoke to the questions that the members had on this provision. See handout #2 for explanation. The members of the committee suggested that this provision be looked at in the Transportation Oversight Committee.

The Committee Substitute for HB 1696, LAW ENFORCEMENT ESCORT FEE, was then taken up. Rep. Nelson Cole explained the proposed committee substitute and discussion followed. See handout #3. Rep. Cole moved to accept the proposed committee substitute. The motion was seconded and passed. The proposed committee substitute was given a favorable report by the committee and an unfavorable report to the original committee substitute. (On Wednesday, July 31, 2002, the committee gave the original committee substitute an unfavorable report. Questions were brought up to make a reconsideration necessary.)

There being no further business, the meeting was adjourned at 9:35 a.m.

Respectfully submitted:



Representative Jim Crawford
Co-Chairman



Suzanne Smith
House Legislative Committee Assistant

VISITOR REGISTRATION SHEET

Transportation
 APPROPRIATIONS Subcommittee on ~~Gen'l Gov't~~

August 1, 2002
~~Wednesday, July 31, 2002~~

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Crattiff	NC Statehouse
Milton Alfred	OSBM
STEVE VARNEDOE	NC DOT
Sharon Matthews	DOT - DMV
VL McBride	YCTA
Kin Hibbard	NCLM
Colleen Fochavek	Hafen ; Caldwell
Diana Wilkins	Mercer # 18808
Bug Bunny	lando
Jane Pinsky	AAA Carolinas
BRUCE THOMPSON	PPAIB

**2002 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) **Cole and Crawford** (Chair/Chairs) for the Permanent Subcommittee on
Transportation of the Standing Committee on **APPROPRIATIONS**.

- Committee Substitute for
H.B. 1696 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE STATE
HIGHWAY PATROL TO ASSESS AND COLLECT FEES FOR PROVIDING ESCORTS FOR
OVERSIZED AND HAZARDOUS SHIPMENTS ONLY WHEN REQUESTED BY THE SHIPPER
OR WHEN REQUIRED BY LAW.

REPORTED TO THE STANDING COMMITTEE ON **APPROPRIATIONS**

RECOMMENDED ACTION:

- With a favorable recommendation.
- With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- With a favorable recommendation, as amended.
- With a favorable recommendation, as amended, and recommend that the bill be re-referred to the
Committee on
- With an unfavorable recommendation.
- With a favorable recommendation as to proposed committee substitute bill, which changes the title,
unfavorable as to original bill.
- With a favorable recommendation as to proposed House committee substitute bill, which changes
the title, unfavorable as to Senate committee substitute bill.
- Without prejudice.
- Other recommended action: _____

WITH APPROVAL OF STANDING COMMITTEE CHAIR(S) FOR REPORT TO BE MADE
DIRECTLY TO THE FLOOR OF THE HOUSE:

Representative _____ for the Standing Committee on _____

s/ _____

- With a favorable report.
- With a favorable report, as amended.
- With a favorable report as to the committee substitute bill (# _____), which changes the title,
unfavorable as to Committee Substitute Bill # _____

05/13/02

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

DRAFT
SPECIAL PROVISION



2002-TRANS-H20

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

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TRANSPORTATION OF WOOD CHIPS AND OTHER WOOD PRODUCTS.

SECTION #. G.S. 20-118(c) is amended by adding a new subdivision to read:

"(c) Exceptions. - The following exceptions apply to G.S. 20-118(b) and 20-118(e).

...

(15) Subsections (b) and (e) of this section do not apply to a vehicle or vehicle combination that meets all of the conditions below, but all other enforcement provisions of this Article remain applicable:

- a. Is hauling wood residuals, including wood chips, saw dust, mulch, or tree bark.
- b. Does not operate on an interstate highway, a posted light-traffic road, or a posted bridge.
- c. Does not exceed a maximum gross weight 4,000 pounds in excess of what is allowed in subsection (b) of this section.
- d. Does not exceed a single-axle weight of more than 22,000 pounds and a tandem-axle weight of more than 42,000 pounds."

EXPLANATION OF WOOD CHIP PROVISION:

As long as the truck carrying the wood residuals meets all of the conditions set forth in the provision, the enforcement provisions of the G.S. 20-118(b) and (e) do not apply.

As long as all of the conditions are met, the truck does not have to meet the otherwise applicable axle limitations listed in G.S. 20-118(b) to allow for load shifting from one axle to another. The normal single axle limitation is 20,000 pounds and the provision allows for 22,000 pounds. The normal tandem-axle weight is 38,000 pounds and the provision allows for 42,000 pounds.

This means that as long as all of the conditions are met, the truck is not subject to the penalties that apply to overweight trucks. If the truck exceeds the maximum gross weight or the single-axle or tandem-axle weights allowed in the provision, then the penalties apply.

Light-traffic road limitations have been relaxed for:

Processed and unprocessed seafood from boats to processing points.

Meats or agricultural crops from farm to first market.

Forest products from farms or woodlands to first market, without delay for further processing—logs.

Livestock and poultry from point of origin to first market.

Livestock by-products and poultry by-products from point of origin to rendering plant.

Recyclable materials from point of origin to processing facility.

Garbage from residences in fully enclosed garbage trucks.

Treated sludge from wastewater treatment facility.

Apples from orchard to first processing point.

Christmas trees to first processing point.

Vehicles owned by public utilities when used to restore power.

Wreckers when towing a vehicle.

Firefighting vehicles when responding to a call.

Garbage haulers or compactors from residences.

Heating oil trucks delivering oil to premises on light-traffic roads.

Exemptions similar to those given for wood chip haulers have been granted to:

Haulers of agricultural crops from farm to first market—allows up to 90,000 pounds within 35 miles of farm.

Haulers of aggregates from quarries in North Carolina counties along the borders of other states to the other states.

If any of the conditions of the wood chip provision are violated, then all of weight limitations and the penalties set forth in G.S. 20-118 apply to the vehicle.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 1696
PROPOSED COMMITTEE SUBSTITUTE H1696-CSLKf-33 [v.1]

Short Title: Law Enforcement Escort Fee.

(Public)

Sponsors:

Referred to:

June 13, 2002

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A BILL TO BE ENTITLED
AN ACT TO AUTHORIZE THE STATE HIGHWAY PATROL TO ASSESS AND COLLECT FEES FOR PROVIDING ESCORTS FOR OVERSIZED AND HAZARDOUS SHIPMENTS WHEN THE SERVICES ARE REQUESTED BY THE SHIPPER OR WHEN REQUIRED BY LAW AND TO REQUIRE THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY TO ESTABLISH A SPECIAL ESCORT FEE ACCOUNT AND TO REPORT ON THE FEES COLLECTED.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-196.4. Oversized and hazardous shipment escort fee.

(a) Every person, firm, corporation, or entity required by the North Carolina Department of Transportation or any federal agency or commission to have a law enforcement escort provided by the State Highway Patrol for the transport of any oversized load or hazardous load by road or rail, shall pay to the Department of Crime Control and Public Safety, to be credited to the account of the State Highway Patrol, a fee covering the full cost to administer, plan, and carry out the escort within this State.

(b) If the State Highway Patrol provides an escort to any person, firm, corporation, or entity requesting an escort to accompany the transport of oversized loads or hazardous shipments by road or rail, then the requester shall pay to the Department of Crime Control and Public Safety, to be credited to the account of the State Highway Patrol, a fee covering the full cost to administer, plan, and carry out the escort within this State.

(c) The Department of Crime Control and Public Safety shall comply with the provisions of G.S. 12-3.1(a)(2) when establishing fees to carry out this section. All fees collected pursuant to this section shall be placed in a special Escort Fee Account and shall remain unencumbered and unexpended until appropriated by the General

1 Assembly. The Department shall report annually on the funds in the special account to
2 the Joint Legislative Transportation Oversight Committee and to the Chairs of the
3 House Appropriations Subcommittee on Transportation and the Senate Committee on
4 Appropriations on Department of Transportation."

5 **SECTION 2.** This act is effective when it becomes law.

House Pages

1. Name: Allison Bowles
County: Davie
Sponsor: Julia Howard
2. Name: Sara Funderburk
County: Lincoln
Sponsor: Joe Kiser
3. Name: Bernadette Kaly
County: Mecklenburg
Sponsor: James Black
4. Name: _____
County: _____
Sponsor: _____
5. Name: _____
County: _____
Sponsor: _____

Sgt-At-Arms

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____